

City Clerk File No. Ord. 15.061

Agenda No. 3.A 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.061

**TITLE: AN ORDINANCE AMENDING CHAPTER 3 (ADMINISTRATION OF GOVERNMENT),
ARTICLE III (MAYOR) TO ESTABLISH A BUREAU OF INNOVATION UNDER THE
OFFICE OF THE MAYOR**

WHEREAS, in order to improve the quality of life in Jersey City, the municipal government must identify innovative ways to foster economic growth and development, more efficiently manage municipal resources, reduce crime, and enhance opportunities for the City's youth; and

WHEREAS, to this end, the City sought and received a \$2.25 million grant from Bloomberg Philanthropies in order to fund a Jersey City Innovation Team; and

WHEREAS, the mission of this internal team is to develop bold, forward-thinking, data-driven solutions for the most challenging, complex, and critical issues faced by the City; and

WHEREAS, acceptance of the grant monies is predicated on the City establishing an executive branch office dedicated to executing the goals of this initiative; and

WHEREAS, this office shall be created within the Office of the Mayor and shall be known as the Bureau of Innovation, and

WHEREAS, the Bureau's initial focus will be the revitalization of main street business districts throughout Jersey City.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that Chapter 3, Article III be amended to read:

§ 3-10 through § 3-19.2

NO CHANGE.

§ 3-19.3. Bureau of Innovation.

Within the Office of the Mayor there shall be a Bureau of Innovation, the head of which shall be the Director of Innovation who shall serve at the pleasure of the Mayor.

§ 3-19.2. - Powers and Duties of the Bureau of Innovation.

The Bureau of Innovation shall improve the City's quality of life by developing bold, forward-thinking, data-driven solutions for the most challenging and complex issues faced by the City.

- I. All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.
- II. This Ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City shall have this Ordinance codified and incorporated in the official copies of the Jersey City Code.
- III. This Ordinance shall take effect in the manner as provided by law.

ORDINANCE FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any Ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the Ordinance.

Full Title of Ordinance

AN ORDINANCE AMENDING CHAPTER 3 (ADMINISTRATION OF GOVERNMENT), ARTICLE III (MAYOR) TO ESTABLISH A BUREAU OF INNOVATION UNDER THE OFFICE OF THE MAYOR

Initiator

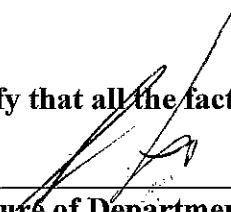
Department/Division	Office of the Mayor	Bureau of Innovation
Name/Title	Brian Platt	Director of Innovation
Phone/email	BPlatt@jenj.org	201-988-2432

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

Establishes a bureau of innovation within the municipal table of organization under which the innovation team will reside.

I certify that all the facts presented herein are accurate.



Signature of Department Director

5/6/15
Date

AN ORDINANCE AMENDING CHAPTER 3 (ADMINISTRATION OF GOVERNMENT), ARTICLE III (MAYOR) TO ESTABLISH A BUREAU OF INNOVATION UNDER THE OFFICE OF THE MAYOR

- IV. The City Clerk and the Corporation Counsel be and hereby are authorized and directed to change any chapter numbers, article numbers and section numbers in the event the codification of this Ordinance reveals that there is conflict between those numbers and the existing code.

Note: All new material is underlined; words ~~struck through~~ are omitted. For purposes of advertising only, new matter is **boldface** and repealed by *italics*.

BP 5/6/15

JJH 5/1/15

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐

Not Required ☐

City Clerk File No. Ord. 15.062

Agenda No. 3.B 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.062

TITLE:

AN ORDINANCE AMENDING CHAPTER 3 (ADMINISTRATION OF GOVERNMENT), SECTION 19.1 (RESIDENT RESPONSE CENTER) TO CENTRALIZE THE PERMITTING OF ALL FESTIVALS, CARNIVALS, FAIRS, FLEA MARKETS AND OTHER PUBLIC EVENTS UNDER THE DIRECTOR OF CULTURAL AFFAIRS

WHEREAS, there are many special public events throughout the City; and

WHEREAS, the City of Jersey City wishes to encourage the growth and development of more such events; and

WHEREAS, the City recognizes the need to centralize the permitting process for these events in order to make the approval process more efficient and user-friendly; and

WHEREAS, the City recognizes that the Office of Cultural Affairs is best suited to serve as the point of intake for special event applications; and

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of Jersey City that Chapter 3, Section 19.2, shall be amended to read:

§ 3-19.2. - Powers and Duties of the Resident Response Center.

The Resident Response Center shall:

- A. Accept and respond to constituents' complaints and inquires on all aspects of City services and operations to enhance constituent confidence in government by expediting the handling of citizens' complaints and inquires in coordination with the various departments of City government and autonomous agencies.
- B. Maintain an Office of Cultural Affairs; ~~including but not limited to, the City Spirit Program and oversee events as the City Spirit Festival, cultural and heritage events, art shows, street fairs, outdoor concert series, holiday festivals and all other public cultural programs which, notwithstanding any ordinance to the contrary, shall be responsible for:~~
 - (i) serving as the sole point of intake for all applications and related permitting for special public events on any city owned property, including but not limited to block parties, carnivals, circuses, festival/fairs, flea markets, and parades,

- (ii) distributing the above referenced applications for such special public events to the appropriate City departments or offices if applicable, and
- (iii) for organizing cultural events on behalf of the City ~~do including but not limited to, the City Spirit Program, and oversee events as the City Spirit Festival, cultural and heritage events, art shows, street fairs, outdoor concerts series, holiday festivals and all other public cultural programs.~~

C. through G.
NO CHANGE.

- I. All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.
- II. This Ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City shall have this Ordinance codified and incorporated in the official copies of the Jersey City Code.
- III. This Ordinance shall take effect in the manner as provided by law.
- IV. The City Clerk and the Corporation Counsel be and hereby are authorized and directed to change any chapter numbers, article numbers and section numbers in the event the codification of this Ordinance reveals that there is conflict between those numbers and the existing code.

Note: All new material is underlined; words ~~struck through~~ are omitted. For purposes of advertising only, new matter is **boldface** and repealed by *italics*.

JJH/JMcK 5/6/15

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐

Not Required ☐

ORDINANCE FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any Ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the Ordinance.

Full Title of Ordinance

AN ORDINANCE AMENDING CHAPTER 3 (ADMINISTRATION OF GOVERNMENT), SECTION 19.1 (RESIDENT RESPONSE CENTER TO CENTRALIZE THE PERMITTING OF ALL FESTIVALS, CARNIVALS, FAIRS, FLEA MARKETS AND OTHER PUBLIC EVENTS UNDER THE DIRECTOR OF CULTURAL AFFAIRS

Initiator

Department/Division	Office of the Mayor	Office of Cultural Affairs
Name/Title	Elizabeth Cain	Director
Phone/email	201-547-6921	ecain@jenj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance Purpose

The purpose of this Ordinance is to centralize the permitting process for all block parties, carnivals, circuses, festival/fairs, flea markets, and parades under the Office of Cultural Affairs.

I certify that all the facts presented herein are accurate.



Signature of Director

5/5/15

Date

City Clerk File No. _____ Ord. 15.063

Agenda No. _____ 3.C _____ 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.063

TITLE: ORDINANCE AMENDING CHAPTER 332 (VEHICLES AND TRAFFIC) ARTICLE VIII (PERMIT PARKING) AMENDING SECTION 332-58 (PARKING RESTRICTIONS IN RESIDENTIAL ZONES) AND SECTION 332-67 (VIOLATIONS AND PENALTIES) OF THE JERSEY CITY MUNICIPAL CODE

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY HEREBY ORDAINS:

- A. The following amendments to Chapter 332 (Vehicles and Traffic) Article VIII (Permit Parking) are hereby adopted:

VEHICLES AND TRAFFIC ARTICLE VIII Permit Parking

§332-58. Parking Restrictions in Residential Zones.

- A. Through C. No Change.
- D. The Chief Executive Officer of the Jersey City Parking Authority (hereinafter "CEO") is hereby authorized to issue a parking permit upon written application therefor. Each such permit shall be designated by the CEO or his or her designee to state or reflect thereon the particular residential permit parking zone as well as the license number of the motor vehicle for which it is issued. No more than one (1) parking permit shall be issued to each motor vehicle for which application is made. The CEO is authorized to issue such rules and regulations not inconsistent with this chapter governing the manner in which persons shall qualify for permits.
- E. Parking permits shall be issued to motor vehicles only upon application by the following persons:
- (1) A legal resident of the residential permit parking zone who (a) has a motor vehicle registered in his/her name or available for his/her exclusive use and under his/her control; and (b) resides in a property in which no off-street parking is available to residents, whether the off-street parking is provided free of charge or is only offered for a separate fee or rent.
 - (2) A person who owns or leases commercial property and actively engages in business activity within a residential permit parking area or employee thereof (pay stubs shall be submitted for proof of employment). However, no more than one (1) parking permit may be issued for each employee for a motor vehicle registered to or under the control of such a person.
 - (3) A person who is a current student of an educational institution (proof of current registration required) located in the residential parking permit zone.
- F. Subsection (E)(1)(b) shall not apply to any resident, (a) who is 65 years of age or older, or (b) who held a permit before the effective date of the ordinance imposing the (E)(1)(b) restriction; (c) of property that is restricted to occupancy by low or moderate income persons within the meaning of the New Jersey Fair Housing Act, N.J.S.A. 55:27D-301 et seq.; or (d) who resides in a property classified as R-2 under the City's land use regulations.

ORDINANCE AMENDING CHAPTER 332 (VEHICLES AND TRAFFIC) ARTICLE VIII (PERMIT PARKING) AMENDING SECTION 332-58 (PARKING RESTRICTIONS IN RESIDENTIAL ZONES) AND SECTION 332-67 (VIOLATIONS AND PENALTIES) OF THE JERSEY CITY MUNICIPAL CODE

- G. To assure that both prospective residential tenants and purchasers of property, including condominiums, are aware of the residential parking permit conditions imposed hereunder, every landlord and every seller shall, ~~on or~~ at least ten (10) days before the date a lease is executed or a deed is conveyed, provide the prospective tenant or ~~buyer~~ prospective purchaser with a copy of Section 332-58. Every landlord or tenant shall file with the Director of the Parking Division an acknowledgement of the receipt of Section 332-58, signed by the prospective tenant or purchaser, no later than 30 days after execution. The acknowledgement shall be in a form to be provided by the Division of Parking and posted on the City's website.

H. Through N. No Change.

§332-59. Through §332-66. No Change.

§332-67. Violations and Penalties.

- A. Through D. No Change.
- E. It shall be unlawful and a separate violation of this Article if any landlord or seller fails to timely file the acknowledgement required by Section G above with the Division of Parking for any unit offered for sale or rent. The maximum per unit fine shall apply.
- B. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- C. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- D. This ordinance shall take effect at the time and in the manner as provided by law.
- E. The City Clerk and the Corporation Counsel may change any chapter numbers, article numbers and section numbers if codification of this ordinance reveals a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All new material is underlined; words in {brackets} are omitted.
For purposes of advertising only, new matter is indicated by **boldface** and repealed matter by *italic*.

JM/he
5/4/15

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐
Not Required ☐

City Clerk File No. _____ Ord. 15.064

Agenda No. _____ 3.D _____ 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.064

TITLE:

ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER A351 (EXECUTIVE ORDERS AND ORDINANCES) OF THE JERSEY CITY CODE

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

A. The following amendments and supplements to Chapter A351 (Executive Orders and Ordinances) of the Jersey City Code are adopted:

Fixed Salaries
(Base without CPI)

Title

Police Chief

Effective to January 1, 2015 pursuant to the provisions of N.J.S.A. 40A:14-179 and N.J.S.A. 40:69A-60.7 the base salary of the Chief of Police is hereby set at One Hundred Seventy Three Thousand Four Hundred Fourteen Dollars (\$173,414.00) per year or the identical base salary as the Fire Chief, whichever is greater. Pursuant to N.J.S.A. 40A:14-179 the annual base salary shall be adjusted to ensure that his/her base salary remains higher than the highest base salary of the next ranking officer in command below the Chief of Police.

B. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

C. This ordinance shall be a part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.

D. This ordinance shall take effect at the time and in the manner as provided by law.

E. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

Note: Words in [brackets] are omitted; New material is underlined.
For purposes of advertising only, new matter is indicated by **boldface** and repealed matter by *italic*.

VS/dc
4/21/15

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐

Not Required ☐

ORDINANCE FACT SHEET – FIXED SALARIES

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER A351 (EXECUTIVE ORDERS AND ORDINANCES) OF THE JERSEY CITY CODE

Project Manager

Department/Division	Business Administration	
Name/Title	Robert Kakoleski	Business Administrator
Phone/email	201-547-5147	RJKakoleski@jcnj.org

Note: Project Manager must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Purpose

Fixed Salaries (Base without CPI) – Police Chief to set base salary at \$173,414.00. The purpose of this ordinance is to set parity so that the Police Chief's and Fire Chief's base salaries are the same. The Police Chief's salary is required to be set by ordinance pursuant to N.J.S.A. 40:69A-60-7 and N.J.S.A. 40A:14-179 requires that his/her salary remain higher than the highest base salary of the next ranking officer in command below the Chief of Police.

Cost (Identify all sources and amounts)**Contract term (include all proposed renewals)****Type of award****If "Other Exception", enter type****Additional Information**

I certify that all the facts presented herein are accurate.

Signature of Department Director

Date

5/19/15



STEVEN M. FULOP
MAYOR OF JERSEY CITY

CITY OF JERSEY CITY DEPARTMENT OF LAW

CITY HALL • 280 GROVE STREET • JERSEY CITY, NJ 07302
PHONE (201) 547-5229 • FAX (201) 547-5230



JEREMY FARRELL
CORPORATION COUNSEL

E.O. _____

April _____, 2015

EXECUTIVE ORDER OF THE MAYOR OF THE CITY OF JERSEY CITY

UNCLASSIFIED POSITIONS FOR CITY EMPLOYEES FOR THE POSITION OF FIRE CHIEF

Pursuant to the Faulkner Act, N.J.S.A. 40:69A-43a, as amended by L. 1985 c.374, the Mayor is authorized to set the salaries of all employees of administrative departments except department directors and employees whose salaries are required to be fixed by ordinance.

Pursuant to this authorization, I issue the following Executive Order establishing the base salary of the Fire Chief and repealing all previous executive orders establishing the base salary for the position of the Fire Chief.

The annual base salary of the Fire Chief effective to January 1, 2015 is hereby set at One Hundred Seventy Three Thousand Four Hundred Fourteen Dollars (\$173, 414.00) per year or Thirteen Thousand Dollars (\$13,000.00) more than the base salary of a Deputy Fire Chief or the identical base salary as the Chief of Police whichever is greater.

This Order shall take effect as set forth herein and supercedes all inconsistent Executive Orders.

Very truly yours,

STEVEN M. FULOP
MAYOR

SMF/dc

cc: Steven M. Fulop, Mayor
Robert J. Kakoleski, Business Administrator
Jeremy Farrell, Corporation Counsel
James Shea, Director of Public Safety
Donna Mauer, Chief Financial Office
Nancy Ramos, Director of Human Resources

City Clerk File No. Ord. 15.065

Agenda No. 3.E 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.065

TITLE:

ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE LAND DEVELOPMENT ORDINANCE EXPANDING THE R-1A ZONING DISTRICT IN WARD A

WHEREAS, the Municipal Council, pursuant to NJSA 40:55D-62, may adopt or amend a zoning ordinance relating to the nature and extent of the uses of land and of buildings and structures thereon; and

WHEREAS, the Municipal Council adopted the Land Development Ordinance, Chapter 345 of the Code of the City of Jersey City, on April 11, 2001, (Ordinance No. 01-042), and several amendments since then; and

WHEREAS, the Jersey City Master Plan makes reference to houses on larger lots in the Greenville neighborhood; and

WHEREAS, the Municipal Council, pursuant to NJSA 40:55D-64, has sought and received the recommendations of the Jersey City Planning Board relative to these issues; and

WHEREAS, the Planning Board at its meeting of April 21, 2015 did vote to recommend that the Municipal Council expand the "R-1A" zone; and

WHEREAS, the tax lots subject to this amendment are depicted on the attached maps entitled "Proposed R-1A Zone Expansion (Part 1)" and "Proposed R-1A Zone Expansion (Part 2);" and

WHEREAS, the maps were amended per recommendations made by the Planning Board at the April 21, 2015 meeting; and

WHEREAS, the Jersey City Master Plan recommends a larger lot size minimum where such larger lots exist in the city; and

WHEREAS, the amendments to the Land Development Ordinance are attached hereto and made a part hereof, and are available for public inspection at the Office of the City Clerk, City Hall, 280 Grove Street, Jersey City, NJ;

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that the Land Development Ordinance, be and hereby is amended as per the attached document;

BE IT FURTHER ORDAINED THAT:

- A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- B. This ordinance shall be a part of the Jersey City Code as though codified and set forth fully herein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- C. This ordinance shall take effect at the time and in the manner as provided by law.
- D. The City Clerk and the Corporation Council be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible repealers of existing provisions.
- E. The City Planning Division is hereby directed to give notice at least ten days prior to the hearing on the adoption of this Ordinance to the Hudson County Planning board and to all other persons entitled thereto pursuant to N.J.S. 40:55D-15 and N.J.S. 40:55D-63 (if required). Upon the adoption of this Ordinance after public hearing thereon, the City Clerk is directed to publish notice of the passage thereof and to file a copy of the Ordinance as finally adopted with the Hudson County Planning Board as required by N.J.S. 40:55D-16. The clerk shall also forthwith transmit a copy of this Ordinance after final passage to the Municipal Tax Assessor as required by N.J.S. 40:49-2.1.

Robert D. Cotter
Robert D. Cotter, FAICP, PP, Director
Division of City Planning

APPROVED AS TO LEGAL FORM

APPROVED: 

APPROVED: _____

Corporation Counsel

Business Administrator

Certification Required ☐

Not Required ☐

SUMMARY STATEMENT

ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE LAND DEVELOPMENT ORDINANCE EXPANDING THE R-1A ZONING DISTRICT IN WARD A

This Ordinance will amend Article V of the Land Development Ordinance (Zoning Ordinance) to expand the R-1A One and Two Family Housing Zone similar to the existing R-1 with a larger lot size minimum, setbacks, lot width, and smaller building coverage and lot coverage, in order to protect the character of certain streets in the Greenville neighborhood where larger houses on large lots are common.

RESOLUTION FACT SHEET -- NON-CONTRACTUAL

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Full Title of Ordinance/Resolution

**ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING
AMENDMENTS TO THE LAND DEVELOPMENT ORDINANCE EXPANDING THE R-1A
ZONING DISTRICT IN WARD A**

Initiator

Department/Division	HEDC	City Planning
Name/Title	Robert Cotter, PP, FAICP	Director
	Matt Ward, AICP	Senior Planner
Phone/email	201-547-5010	bobbyc@jcnj.org / mward@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

This Ordinance will amend Article V of the Land Development Ordinance (Zoning Ordinance) to expand the R-1A One and Two Family Housing Zone similar to the existing R-1 with a larger lot size minimum, setbacks, lot width, and smaller building coverage and lot coverage, in order to protect the character of certain streets in the Greenville neighborhood where larger houses on large lots are common.

I certify that all the facts presented herein are accurate.


Signature of Department Director

4/24/15
Date

Department of Housing, Economic Development & Commerce
Division of City Planning



Memorandum

DATE: 4/24/2015
TO: COUNCIL PRESIDENT LAVARRO, MUNICIPAL COUNCIL
FROM: MATT WARD, SENIOR PLANNER
SUBJECT: ORDINANCE TO EXPAND R-1A ZONE IN WARD A

This ordinance will expand the R-1A zone district in Ward A along Kennedy Blvd, Fulton Street, Warner Avenue and Wade Street. The R-1A Zone limits the minimum lot width to 40 feet with the intent of promoting and preserving existing one and two family homes on large lots in Jersey City. The R-1A zone occurs throughout the City and further areas were identified and pending in Ward A from this zone change.

§ 345-40.1 R-1A One and Two Family Housing District.

A. Purpose.

The purpose of this district is to preserve the pattern, quality, and architectural individuality of the existing detached one- and two-family homes and to discourage subdivision and demolition. This district is similar to the R-1 zone except that it is intended to protect the character of streets where larger houses are typical and the predominant lot size is larger than the standard 25x100 lot size for Jersey City.

B. Permitted principal uses are as follows:

1. One family dwellings.
2. Dwellings with two dwelling units.

C. Uses incidental and accessory to the principal use, such as:

1. Private garages.
2. Off-street parking.
3. Fences and walls.
4. Home occupations.
5. Swimming pools.
6. Decks and patios.

E. Bulk Standards for One and Two Family Dwellings.

1. Minimum Lot Size: Four thousand (4,000) square feet.
2. Minimum Lot Width: Forty (40) feet.
3. Minimum Lot Depth: One hundred (100) feet.
4. Front Yard Setback: Predominant setback shall apply.
5. Side Yards: Minimum of five feet on both sides.
6. Minimum Rear Yard: Thirty (30) feet.
7. Maximum Building Height: three stories and thirty-five (35) feet;
8. Maximum Building Coverage: Fifty-five percent (55%).
9. Maximum Lot Coverage: Seventy-five percent (75%).
10. Maximum Accessory Building Height: Fifteen (15) feet.
11. Minimum Accessory Building Setbacks:
 - Rear Yard: Three (3) feet;
 - Side Yard: Two (2) feet.

F. Parking Standards for One and Two Family Dwellings.

1. Minimum required parking: one space per dwelling unit.
2. No parking shall be permitted between the building line and the street line. Garages are required to be located within the rear yard setback.
3. Maximum width of driveway: Ten (10) feet.



**ZONING MAP AMENDMENT
PROPOSED R-1A ZONE EXPANSION (Part 1)
FEBRUARY 25, 2015 (AMENDED 4/23/2015)**



CITY OF JERSEY CITY
DIVISION OF CITY PLANNING

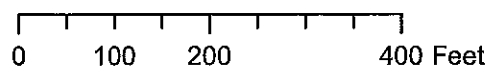
MAP NO.: 601

Legend

Proposed R-1A Additions



1 inch = 200 feet





**ZONING MAP AMENDMENT
PROPOSED R-1A ZONE EXPANSION (Part 2)
FEBRUARY 25, 2015**



CITY OF JERSEY CITY
DIVISION OF CITY PLANNING

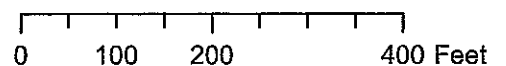
MAP NO.: 601

Legend

Proposed R-1A Additions



1 inch = 200 feet



City Clerk File No. Ord. 15.066

Agenda No. 3.F 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.066

TITLE: ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE MORRIS CANAL REDEVELOPMENT PLAN TO MODIFY PERMITTED USES, HEIGHT, AND DENSITY, AS WELL AS CREATE AN AFFORDABLE HOUSING PROVISION IN TOD-W ZONE

WHEREAS, the Municipal Council of the City of Jersey City adopted the Morris Canal Redevelopment Plan in March of 1999, and amended the Plan numerous times subsequently, most recently on July 16, 2014; and

WHEREAS, the existing Plan's Transit Oriented Development – West (TOD-W) zone allows for 5 stories and 55 feet and a density of 110 units per acre; and

WHEREAS, there is a need citywide for more affordable housing; and

WHEREASE, because the community is experiencing growth and is located in close proximity to the Light Rail (HBLRT), it would be appropriate to increase the permitted height to 7 stories and 80 feet and the permitted density to 170 units per acre through the mechanism of an affordable housing bonus provision; and

WHEREAS, only those developers who agree to provide 5% affordable units or 3 units (whichever is greater) will be eligible for the height and density bonuses; and

WHEREAS, the Planning Board, at its meeting of April 21, 2015, determined that the Morris Canal Redevelopment Plan should be amended to revise the TOD-W Zone's permitted uses, density, and height with an affordable housing bonus; and

WHEREAS, a copy of the Planning Board's recommended amendments to the Morris Canal Redevelopment Plan is attached hereto, and made a part hereof, and is available for public inspection at the office of the City Clerk, City Hall, 280 Grove Street, Jersey City, NJ;

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that the aforementioned amendments to the Morris Canal Redevelopment Plan be, and hereby are, adopted.

BE IT FURTHER ORDAINED THAT:

- A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- B. This ordinance shall be a part of the Jersey City Code as though codified and set forth fully herein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- C. This ordinance shall take effect at the time and in the manner as provided by law.
- D. The City Clerk and the Corporation Council be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible repealers of existing provisions.
- E. The City Planning Division is hereby directed to give notice at least ten days prior to the hearing on the adoption of this Ordinance to the Hudson County Planning board and to all other persons entitled thereto pursuant to N.J.S. 40:55D-15 and N.J.S. 40:55D-63 (if required). Upon the adoption of this Ordinance after public hearing thereon, the City Clerk is directed to publish notice of the passage thereof and to file a copy of the Ordinance as finally adopted with the Hudson County Planning Board as required by N.J.S. 40:55D-16. The clerk shall also forthwith transmit a copy of this Ordinance after final passage to the Municipal Tax Assessor as required by N.J.S. 40:49-2.1.

Robert D. Cotter - Acting
Robert D. Cotter, PP, FAICP
Director, Division of City Planning

APPROVED AS TO LEGAL FORM

APPROVED: _____

APPROVED: _____

Corporation Counsel

Business Administrator

Certification Required ☐

Not Required ☐

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE MORRIS CANAL REDEVELOPMENT PLAN TO MODIFY PERMITTED USES, HEIGHT, AND DENSITY, AS WELL AS CREATE AN AFFORDABLE HOUSING PROVISION IN TOD-W ZONE

Initiator

Department/Division	HEDC	City Planning
Name/Title	Robert Cotter, PP, AICP	Director
Phone/email	201-547-5010	bobbyc@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

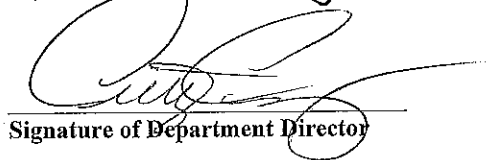
Resolution Purpose

The proposed amendments revise the TOD-W zone to expand the list of permitted uses to include work/live space as well as retail, restaurants, and other amenities. The amendments also add an affordable housing bonus, increasing the permitted height from 5 stories and 55 feet to 7 stories and 80 feet and the density from 110 to 170 units per acre, in exchange for an affordable housing provision of 5% of units or 3 units, whichever is greater.

I certify that all the facts presented herein are accurate.


Signature of Division Director

4/22/15
Date


Signature of Department Director

4/24/15
Date

Department of Housing, Economic Development & Commerce
Division of City Planning



Inter-Office Memorandum

DATE: April 22, 2015
TO: Council President Lavarro, Anthony Cruz, Bob Cotter
FROM: Kristin J. Russell, PP, AICP
SUBJECT: Morris Canal Redevelopment Plan amendment

The amendments before you for the Morris Canal Redevelopment Area revise the TOD-W (Transit Oriented Development – West) subdistrict.

First, the list of permitted uses is expanded to include work/live spaces, retail, residential, and other amenities.

Second, a height and density bonus has been created. This bonus increases the permitted density from 110 units per acre to 170. This bonus also increases the permitted height from 5 stories and 55 feet to the lesser of 7 stories and 80 feet.

The increased density and height will only be available to developers who agree to provide 5% of the units as affordable, or 3 units total, whichever is greater.

The Planning Department believes that these changes are appropriate in light of the increasing popularity of the neighborhood and proximity to the Light Rail. TOD zoning already anticipates a more dense and urban environment as the area around the station develops, and this furthers that intent. And, tying this to affordable housing creates a win-win situation.

The community has been included in this amendment and are supportive.

Summary Sheet:

**ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY
CITY ADOPTING AMENDMENTS TO THE MORRIS CANAL
REDEVELOPMENT PLAN TO MODIFY PERMITTED USES, HEIGHT, AND
DENSITY, AS WELL AS CREATE AN AFFORDABLE HOUSING PROVISION
IN TOD-W ZONE**

The proposed amendments revise the TOD-W zone to expand the list of permitted uses to include work/live space as well as retail, restaurants, and other amenities. The amendments also add an affordable housing bonus, increasing the permitted height from 5 stories and 55 feet to 7 stories and 80 feet and the density from 110 to 170 units per acre, in exchange for an affordable housing provision of 5% of units or 3 units, whichever is greater.

Morris Canal

Redevelopment Plan

(formerly known as the Garfield - Lafayette Redevelopment Plan)

As adopted by the Municipal Council of the City of Jersey City

March 1999
Amended February 27, 2002
Amended March 27, 2002
Amended July 26, 2002
Amended November 13, 2002
Amended August 11, 2004
Amended January 11, 2006
Amended October 16, 2006
Amended March 14, 2007
Amended May 28, 2008 – Ord. 08-060
Amended June 25, 2008 – Ord 08-084
Amended December 17, 2008 – Ord 08-169
Amended January 28, 2009 – Ord 09-006
Amended June 17, 2009 – Ord 09-071
Amended May 12, 2010 – Ord 10-064
Amended August 25, 2010 – Ord 10-104
Amended September 29, 2010 – Ord 10-115
Amended November 23, 2010 – Ord 10-156
Amended February 23, 2011 - Ord 11-024
Amended June 29, 2011 – Ord. 11-071
Amended June 27, 2012 – Ord. 12-083
Amended October 9, 2013 – Ord. 13-103
Amended March 12, 2014 – Ord. 14-024
Amended July 16, 2014 – Ord. 14-076
Proposed 4/14/15

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XI. Land Use Zones And Specific Land Use Provisions

A. Transit Oriented Development

The Transit Oriented Development District (TOD) shall generally encompass the eastern portion of the Morris Canal Redevelopment Area in the vicinity of the Hudson Bergen Light Rail Transit (HBLRT) station and adjacent to the RTC Rail Transportation Corridor District. The TOD shall be further sub-divided into four (4) sub-districts: 1. Transit Village, 2. TOD South, 3. TOD North, and 4. TOD West (See Map B).

The purpose of this district is to provide for higher density mid-rise development and lower parking standards in proximity to the HBLRT station in order to take advantage of the mass transit opportunities afforded by the Hudson Bergen Light Rail and local bus routes.

1. Transit Village: no change
2. TOD-South: no change
3. TOD-West: The TOD West district is located just west of the Transit Village district between Communipaw and Johnston Avenues. It is comprised of existing industrial structures as well as parcels that consist of completely vacant land and a blocks that are partially vacant and partially underutilized. Several properties within this subzone are eligible for Adaptive Reuse Overlay Zone regulations (See §M).
 - a. Block 15802, Lots 24 & 26 - This parcel contains a former industrial structure that is currently under renovation and redevelopment pursuant to the requirements of the Adaptive Reuse Overlay Zone "D". Therefore, redevelopment of this property will continue to be governed by the requirements and standards of the Adaptive Reuse Overlay Zone.
 - b. Block 19004 Lots 36, 37, 1, 2, 3, 4 and 5, & Block 15802 Lot 37
 - i. Permitted Principal Use –
 - Multi-family Residential
 - **Work/Live Units**
 - **Work/Live Artist Studios**
 - Public Utilities, except that natural gas transmission lines shall be prohibited

The following uses shall only be permitted on the ground floor as part of a mixed-use building.

 - ***Retail sales of goods and services***
 - ***Restaurants (Category One & Two)***
 - ***Artist Work-Only Studios***
 - ***Child Care Centers***
 - ii. Accessory Uses
 - Off-street parking, only within the principal structure
 - **Home Occupations**

- Resident amenity areas such as gymnasium and exercise rooms, meeting rooms, indoor and outdoor recreation areas, etc.
- iii. Maximum Height
- The maximum height shall be 5 stories and 55 feet.
 - Each residential floor shall have a minimum height of nine (9) feet from floor to ceiling.
- iv. Maximum Density – 110 dwelling units per acre.
- v. Streetfront Setbacks – Buildings must be setback at least five (5) feet from any street line in order to provide a landscaped front yard between the building and the sidewalk area. ***In the alternative, a raised platform may be provided as appropriate to accommodate current flood elevation regulations, but shall be designed in a contextual industrial loading dock type configuration.*** Bay windows on upper level residential floors may partially extend into this setback area in order to provide architectural interest and character.
- vi. Side Setback – Zero (note where only one interior lot line exists i.e. where a property has frontage on three streets), that lot line shall be considered a rear lot line. On corner lots, the lot line opposite the front lot line shall be the rear lot line and the other interior lot line shall be the side lot line.
- vii. Rear Setback – The setback from any interior lot line shall be 15 feet.
The first floor setback may be reduced to 5' when necessary in order to accommodate an enclosed parking garage with rooftop amenity space. Parking may extend into the required yard area provided that the floor of the parking level is located at least three feet below grade and the parking is enclosed within the principal structure or extension thereof. The roof of the parking portion of the structure may be no more than ten (10) feet above grade and shall be designed and/or landscaped for use as an outdoor terrace area.
- viii. ***Bonus provision – Maximum height and/or density may be increased as follows in exchange for the construction of moderate income affordable housing. The developer shall dedicate five percent (5%) of the total market rate residential units constructed, or three (3) units, whichever is greater, as moderate income affordable in order to qualify for these bonus provisions.***
1. ***Maximum Height***
 - ***The maximum height may be increased to the lesser of 7 stories or 80 feet. (Each residential floor shall still have a minimum height of nine (9) feet from floor to ceiling.)***
 2. ***Maximum Density***
 - ***The maximum density may be increased to 170 dwelling units per acre.***

c. Block 15802 & 19003

- i. Permitted Principal Use –
 - Multi-family Residential
 - Retail sales of goods and services and Restaurants (Category One & Two) only along the Johnston Avenue frontage, and as part of a mixed use building
 - Child care centers
 - Public Utilities, except that natural gas transmission lines shall be prohibited
 - Mixed use of the above
- ii. Accessory Uses
 - Off-street parking, only within the principal structure.
 - Resident amenity areas such as gymnasium and exercise rooms, meeting rooms, indoor and outdoor recreation areas, etc.
- iii. Maximum Height
 - Block 15802 - Along Johnston Avenue for a depth of 100 feet, the maximum height shall be 14 stories and 150 feet.
 - Block 19003 – Along Johnston Avenue for a depth of 100 feet, the maximum height shall be 8 stories and 90 feet.
 - Along Maple Street for a depth of 100 feet, the maximum height shall be 8 stories and 90 feet.
 - Along Garabrant Street, the maximum height shall be 6 stories and 65 feet. In addition, a 7th floor penthouse may be constructed provided that it is setback at least five (5) feet from the front façade.
 - Along Monitor Street, the maximum height shall be 5 stories and 55 feet. In addition, a 6th floor penthouse may be constructed provided that it is setback at least five (5) feet from the front façade.
 - Each residential floor shall have a minimum height of nine (9) feet from floor to ceiling.
- iv. Maximum Density – 125 dwelling units per acre, inclusive of the vacated portions of Garabrant and Maple Streets.
- v. Required Front Setbacks – All first floor residential portions of the building must be setback at least five (5) feet from the property line in order to provide a landscaped area / front yard between the building and the sidewalk area. Commercial frontages may adjoin the sidewalk line. Upper level residential floors may partially extend into the setback area and over the commercial areas in an articulated fashion in order to provide architectural interest and character.
- vi. Required Rear Setbacks – The rear wall of any residential portion of the building may not be located any further than seventy-five (75) feet from the front property line parallel to and nearest to said rear wall. The distance between any two rear walls parallel to, or nearly parallel to each other shall not be less than fifty (50) feet.
- vii. Required Building Stepbacks – Buildings fronting on Maple Street and Johnston Avenue shall provide a stepback of at least five (5)

feet from the front property line at a height between twenty (20) and fifty (50) feet. Additional setbacks near the buildings top are also required in order to provide architectural interest.

- viii. Additional Design Standards – Buildings constructed in this area may incorporate contemporary materials and design features, such as glass and metal panels in order to provide architectural interest. All parking use areas shall be ringed with active use areas such as residential or commercial and shall be covered by a roof deck. The roof deck over parking areas shall be landscaped and designed for use as an outdoor amenity space.

d. Parking Requirements:

- i. Residential – Max of 1.0 auto parking space per unit, and ~~Minimum of 1.0 bicycle space per bedroom~~ ***bicycle parking per the LDO.***
- ii. Commercial – Max of 2.5 auto parking spaces per 1,000 sq. ft.

e. Street Circulation Improvements:

- i. Garabrant Street shall be re-opened in its original location, or reconstructed to the east of and parallel to its original alignment and shall have a R.O.W. width of at least 60 feet.
- ii. Maple Street shall be re-opened and extended to the Transit Village district and shall have a R.O.W. width of at least 60 feet.
- iii. All existing streets shall remain open to the public.
- iv. Additional streets, alleys, or other rights-of-way may be constructed in order to create an urban grid street pattern consistent with “New Urbanism” planning principals.
- v. The locations of all new streets, alleys and rights-of-way shall be subject to review and approval by the Jersey City Planning Board and the appropriate departments, divisions and agencies of the City of Jersey City.
- vi. All new streets, alleys and rights-of-way shall be constructed to applicable Municipal and State standards and the standards of this Plan.

- 4. TOD-North: The TOD North District is located north of, and has frontage on Johnston Avenue. There are two portions of this district with frontage on Garabrant Street, Monitor Street, Pine Street and Whiton Street; and adjoins the Rail Transportation Corridor district on the north and east. It is comprised of existing industrial structures as well as parcels that consist of completely vacant land and blocks that are partially vacant and partially underutilized. Therefore the development regulations of this district have been established on a parcel or block basis.

a. Blocks 17505 & 17504

- i. Permitted Principal Use –
 - Multi-family Residential

- Retail sales of goods and services and Restaurants (Category One & Two) only along the Johnston Avenue frontage and as part of a mixed use building
 - Child care centers
 - Public Utilities, except that natural gas transmission lines shall be prohibited
 - Mixed use of the above
- ii. Accessory Uses
- Off-street parking, within the principal structure and as surface parking at the rear of the building with appropriate landscaping; including shade trees.
 - Resident amenity areas such as gymnasium and exercise rooms, meeting rooms, indoor and outdoor recreation areas, etc.
- iii. Minimum Lot Size – 10,000 square feet. (Note: All parcels of less than 10,000 square feet shall be governed by the requirements of the Residential District of the Morris Canal Redevelopment Plan).
- iv. Maximum Height
- The maximum height shall be 8 stories and 85 feet.
 - Each residential floor shall have a minimum height of nine (9) feet from floor to ceiling.
- v. Intensity of Development – The size and scale of all buildings on these blocks shall be regulated by the bulk standards herein and further provided that the floor area ratio of any building shall not exceed 6.0 on block 17504 and 5.5 on block 17505.
- vi. Required Front Setbacks – Minimum five feet (5). Bay windows on upper level residential floors may partially extend into the front setback area a maximum of 2 feet in order to provide architectural interest and character.
- vii. Side Yard Setback- Minimum zero feet (0).
- viii. Rear Yard Setback- Twenty-five Feet (25) for Residential Floors; and Zero Feet (0) for the parking level. The roof of the parking level may be no more than ten (10) feet above grade and shall be designed and landscaped for use as an outdoor terrace area.
- ix. Additional Design Standards – Buildings constructed in this area may incorporate contemporary materials and design features such as glass and metal panels in order to provide architectural interest. The roof deck over parking areas shall be landscaped and designed for use as an outdoor amenity space.
- b. Block 17503 – This Block contains a former industrial structure that has received site plan approval to begin redevelopment pursuant to the requirements of the Adaptive Reuse Overlay Zone “A”. Therefore, redevelopment of this property will continue to be governed by the requirements and standards of Adaptive Reuse Overlay Zone “A”.
- c. Block 15801 - Lots 49 & 50 shall be governed by the following regulations.

- i. Permitted Principal Use –
 - Multi-family Residential
 - Retail sales of goods and services and Restaurants (Category one & Two) as part of a multi-story building.
 - Independent Living, limited to age restricted and/or special needs restricted housing
 - Assisted Living Facilities, whether licensed or unlicensed by the State of New Jersey
 - Adult Day Care
 - Child Care as part of a multi-story building
 - Public Utilities, except that natural gas transmission lines shall be prohibited
 - Mixed Uses of the above
- ii. Accessory Uses
 - Off-street parking, only within the principal structure
 - Health club, meeting & recreation rooms, and other similar facilities; which may also be open to the community.
- iii. Maximum Height - 175 feet, consisting of not more than a three (3) level building base containing off-street parking, lobby area and retail space; not more than thirteen (13) stories of residential dwelling units. Each residential floor shall have a minimum height of nine (9) feet from floor to ceiling. When an automated mechanical parking system is utilized, the number of parking levels within the base may be increased, provided that the height of the base maintains its three (3) story appearance.
- iv. Maximum Density – 290 dwelling units per acre for multi-family residential
- v. Required Setbacks – None for the three (3) level base of the building.
- vi. Required Building Stepbacks – The residential portion of the building above the base shall be setback at least ten (10) feet from the western side property line. The residential portion of the building above the base shall be setback at least fifteen (15) feet from the rear property line running along the railroad right-of-way, except that vertical circulation (i.e. fire stairs, elevator cores, etc.) may be built within this stepback area. The front façade may be built to the front property line.
- vii. Additional Design Standards – The design of any building in this area may incorporate more contemporary materials and design features. However, materials used in the base of the building and in that portion of the building in closer proximity to the existing townhouses to the west shall consist primarily of masonry. The design of the building shall incorporate visual cues, material changes and/or stepbacks in order to provide an architectural transition from the existing townhouse structures to the higher rise residential structure permitted in this sub-district.
- viii. Special Parking Requirements for Independent and Assisted Living Facilities – Evidence in the form of testimony and a parking study shall be presented to the Planning Board as part of site plan

approval that the parking arrangements proposed will be adequate to service the needs of the intended uses and provide safe and adequate off-street vehicular access for all users of the facility.

d. Blocks 17502

i. Permitted Principal Use –

- Multi-family Residential
- Public Utilities, except that natural gas transmission lines shall be prohibited

ii. Accessory Uses

- Off-street parking, both within the principal structure and as surface parking behind the building and adjacent to the railroad right-of-way, with appropriate landscaping; including shade trees.
- Resident amenity areas such as gymnasium and exercise rooms, meeting rooms, indoor and outdoor recreation areas, etc.

iii. Maximum Height

- The maximum height shall be 8 stories and 85 feet.
- Each residential floor shall have a minimum height of nine (9) feet from floor to ceiling.

iv. Intensity of Development – The size and scale of buildings on this blocks shall be regulated by the bulk standards herein and further provided that the floor area ratio of any building shall not exceed 5.0.

v. Minimum Lot Area – Entire Block.

vi. Required Front Setbacks – Minimum 5 feet. Bay windows on upper level residential floors may partially extend into the yard area a maximum of 2 feet in order to provide architectural interest.

vii. Side Yard Setback- Minimum zero feet (0).

viii. Rear Yard Setback- Twenty-five Feet (25) for Residential Floors; and Zero Feet (0) for the parking level. The roof of the parking level may be no more than ten (10) feet above grade and shall be designed and landscaped for use as an outdoor terrace area.

ix. Additional Design Standards – Buildings constructed in this area may incorporate more contemporary materials and design features such as glass and metal panels in order to provide architectural interest. The roof deck over parking areas shall be landscaped and designed for use as an outdoor amenity space.

e. Parking Requirements:

i. Residential – Max of 1.0 auto parking space per unit, and *bicycle parking per LDO* ~~Minimum of 1.0 bicycle space per bedroom.~~

ii. Commercial – Max of 2.5 auto parking spaces per 1,000 sq. ft.

f. Street Circulation Improvements:

- i. All existing streets shall remain open to the public, except that the “stub” ends of Whiton Street and Pine Street located north of Ash Street may be vacated and incorporated into adjacent properties.
- ii. Additional streets, alleys, or other rights-of-way may be constructed in order to create an urban grid street pattern consistent with “New Urbanism” planning principals.
- iii. The locations of all new streets, alleys and rights-of-way shall be subject to review and approval by the Jersey City Planning Board and the appropriate departments, divisions and agencies of the City of Jersey City.
- iv. All new streets, alleys and rights-of-way shall be constructed to applicable Municipal and State standards and the standards of this Plan.

L. BERRY LANE PARK ZONE

This district shall encompass lands at and near the foot of Woodward Street, as depicted in the Zoning Map (Map B).

Purpose: To encourage a more dense pattern of development where housing is within proximity to public park space and a Hudson Bergen Light Rail station.

Properties within the Berry Lane Park Overlay Zone are eligible for a density bonus if the developer has been formally designated by the JCRA and if a publically dedicated street is constructed in accordance with City standards, inspected and accepted by the Municipal Engineers, and in the location outlined below.

At a point 98 feet south of the northwest corner of Block 19901 Lot 7 along Woodward Street, a new public right of way shall be created. The right-of-way shall be 50 feet in width, with a 34 foot wide cartway, 8’ wide sidewalks, and a maximum inside curb radius of R10 at the corner. This new street shall connect existing Woodward Street and existing Van Horne Street. All improvements as required by the Division of Engineering shall be made by the developer in order to be eligible for the density bonus.

Moreover, no certificates of occupancy shall be granted for any buildings developed until the new street has been built, inspected, dedicated to the City, and approved by the Municipal Engineers.

1. Berry Lane Park Overlay – North

This overlay zone encompasses property north of the new through-street connecting Woodward and Van Horne Streets. The following standards are applicable only if the street, as described above, is provided and all zoning standards are met. If the street is not provided as required and/or zoning standards are not met, the property is subject to Residential (R) zoning.

- a. Permitted Principal Use
 - i. One- and two-family homes
 - ii. Three-family homes
- b. Accessory use

- i. Off-street parking
- ii. *Restaurant, Category Two*

c. Zoning standards

- i. Minimum lot area: 2,450 square feet
- ii. Minimum lot width: twenty-four and one-half (24.5) feet
- iii. Minimum lot depth: one hundred (100) feet
- iv. Minimum Front Yard Setback: 5 (five) feet
- v. Minimum Side Yards: 0 feet
- vi. Minimum Rear Yards: 30 (thirty) feet
- vii. Maximum building coverage: sixty five percent (65%)
- viii. Maximum lot coverage: eighty-five percent (85%)
- ix. Maximum building height: 3 stories
- x. All new development shall provide a landscaped area across at least 20 % of the front yard.
- xi. Front yard parking is prohibited throughout the district.
- xii. A twelve foot (12') wide easement shall be provided along the rear property line between homes facing Van Horne and Woodward Streets, utilizing six feet of depth from the rear of each property. This easement shall be accessed from the new through-street and shall provide parking access to each unit. Front-facing garages are prohibited.
- xiii. Parking: Two garaged and one rear-yard parking space are required.

d. Design standards

- i. Please refer to the design standards in the Section VII for design standards for this district.

2. Berry Lane Park – South

This overlay zone encompasses property south of the new through-street connecting Woodward and Van Horne Streets and adjacent to the railroad. The following standards are applicable only if the street, as described above, is provided and all zoning and design standards are met. If the street is not provided as required and/or zoning standards are not met, the property is subject to Residential (R) zoning.

On this parcel, a maximum of two separate apartment buildings shall be permitted, which shall be developed by a common owner/developer. This may be accomplished by subdividing the lot into two separate lots with parking and access easements, or by having two buildings on a single lot. Coverage standards shall be calculated for the lot as a whole.

- a. Permitted Principal Use
 - i. Multi-family apartment buildings
- b. Accessory use
 - i. Off-street parking
- c. Zoning standards
 - i. Minimum Front Yard Setback: 5 feet at ground floor, 0 feet starting 15 feet above grade.
 - ii. Side Yards: 0 (zero) feet

- iii. Minimum Rear Yards: 0 feet (zero) feet on the ground floor, 10 feet above.
 - iv. Maximum building coverage: 70 (seventy) percent
 - v. Maximum lot coverage: 80 (eighty) percent
 - vi. Maximum building height: 4 stories
 - vii. Minimum Parking: 0.75 vehicle space per unit; *bicycle parking per LDO 0.5 bicycle spaces per unit*
 - viii. Minimum Floor-to-ceiling height: 9 feet
- d. Design standards
- i. Please refer to the design standards in the Section VII for design standards for this district, which shall be modified by what is listed below.
 - ii. If a ground floor garage is developed, garage shall have two points of entry, one driveway from the new through street with a garage entry on the side, and the other from a driveway extending from the northern portion of vacated Woodward Street, again with entry on the side of the building.
 - iii. Main pedestrian and resident access to the building(s) must be provided from a lobby area with frontage along the new street.
 - iv. If a ground floor garage is developed, garage levels shall be screened so as not to give the apparent perception of garage space from all street Rights-of-Ways and from all adjacent property lines. Examples of various acceptable screening and façade treatment techniques which can be utilized include the following:
 - Artificial windows of the punched out style utilizing glass or decorative grillwork or a combination of same.
 - Artificial building façade wrapping around the exterior of the garage.
 - Extension of the ground floor or second floor window design to upper floors without the glass, but utilizing the same detailing, design, and window frame color.
 - The addition of cornices, lintels, quoins, and other decorative detailing in addition to all the other façade designs.
 - Emphasis of a vertical exterior façade pattern instead of the horizontal
 - v. The building corner closet to the intersection of Woodward Street and the new street shall be camphered to provide an attractive terminated vista at the end of Woodward Street. Campher is required on all upper floors, optional on the ground floor.
 - vi. Bike rooms must be provided

City Clerk File No. _____ Ord. 15.067

Agenda No. _____ 3.6 _____ 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE

offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.067

**TITLE: ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY
ADOPTING AMENDMENTS TO THE TIDEWATER BASIN REDEVELOPMENT PLAN TO
ALLOW MEDICAL OFFICES**

WHEREAS, the Municipal Council of the City of Jersey City adopted the Tidewater Basin Redevelopment Plan in November of 1999, and amended the Plan numerous times subsequently, most recently on January 14, 2015; and

WHEREAS, the Waterfront District of the Area allows for mixed use buildings, but the list of permitted uses does not include medical offices; and

WHEREAS, there is a desire to locate a medical office in the neighborhood, and there are no expected negative impacts of this use; and

WHEREAS, amendments have been prepared to allow medical offices of up to 1,500 square feet on the ground floor of mixed use buildings on corner lots; and

WHEREAS, the Planning Board, at its meeting of April 21, 2015, determined that the Tidewater Basin Redevelopment Plan should be amended to allow medical offices in the Waterfront District; and

WHEREAS, a copy of the Planning Board's recommended amendments to the Tidewater Basin Redevelopment Plan is attached hereto, and made a part hereof, and is available for public inspection at the office of the City Clerk, City Hall, 280 Grove Street, Jersey City, NJ;

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that the aforementioned amendments to the Tidewater Basin Redevelopment Plan be, and hereby are, adopted.

BE IT FURTHER ORDAINED THAT:

- A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- B. This ordinance shall be a part of the Jersey City Code as though codified and set forth fully herein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- C. This ordinance shall take effect at the time and in the manner as provided by law.
- D. The City Clerk and the Corporation Council be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible repealers of existing provisions.
- E. The City Planning Division is hereby directed to give notice at least ten days prior to the hearing on the adoption of this Ordinance to the Hudson County Planning board and to all other persons entitled thereto pursuant to N.J.S. 40:55D-15 and N.J.S. 40:55D-63 (if required). Upon the adoption of this Ordinance after public hearing thereon, the City Clerk is directed to publish notice of the passage thereof and to file a copy of the Ordinance as finally adopted with the Hudson County Planning Board as required by N.J.S. 40:55D-16. The clerk shall also forthwith transmit a copy of this Ordinance after final passage to the Municipal Tax Assessor as required by N.J.S. 40:49-2.1.


Robert D. Gotter, PP, FAICP
Director, Division of City Planning

APPROVED AS TO LEGAL FORM

APPROVED: 

Corporation Counsel

APPROVED: _____

Business Administrator

Certification Required ☐

Not Required ☐

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY ADOPTING AMENDMENTS TO THE TIDEWATER BASIN REDEVELOPMENT PLAN TO ALLOW MEDICAL OFFICES

Initiator

Department/Division	HEDC	City Planning
Name/Title	Robert Cotter, PP, AICP	Director
Phone/email	201-547-5010	bobbyc@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

The proposed amendments modify the uses permitted in the Waterfront District of the Tidewater Basin Redevelopment Plan to allow Medical Offices of up to 1,500 square feet on corner lots.

I certify that all the facts presented herein are accurate.


Signature of Division Director


Date


Signature of Department Director


Date

Department of Housing, Economic Development & Commerce
Division of City Planning



Inter-Office Memorandum

DATE: April 22, 2015
TO: Council President Lavarro, Anthony Cruz, Bob Cotter
FROM: Kristin J. Russell, PP, AICP
SUBJECT: Tidewater Basin Redevelopment Plan amendment

The proposed amendments to the Tidewater Basin Redevelopment Plan modify the permitted uses in the Waterfront District to include "medical office." Presently the permitted ground floor uses include retail sales, restaurants, and offices. However, because "medical office" is considered a different category than "office" it is not permitted.

This amendment will allow medical offices of up to 1,500 square feet (generally limiting it to a single practitioner rather than a large practice) on corner lots in the Waterfront District. No negative impacts are expected.

Summary Sheet:

**ORDINANCE OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY
CITY ADOPTING AMENDMENTS TO THE TIDEWATER BASIN
REDEVELOPMENT PLAN TO ALLOW MEDICAL OFFICES**

The proposed amendments modify the uses permitted in the Waterfront District of the Tidewater Basin Redevelopment Plan to allow Medical Offices of up to 1,500 square feet on corner lots.

TIDEWATER BASIN REDEVELOPMENT PLAN

November 10, 1999

Amended June 27, 2007: Ord. 07-109

Amended Sept 9, 2009: Ord. 09-092

Amended March 24, 2010: Ord. 10-036

Amended April 28, 2010: Ord. 10-053

Block & Lot Updates: October 25, 2012

Amended October 8, 2014: Ord. 14-120

Amended January 14, 2015: Ord. 14-173

Proposed 4/22/15

**CITY OF JERSEY CITY
DIVISION OF CITY PLANNING**

A. Waterfront District

1. This district lies between Warren Street and the extension of Van Vorst Street and runs from Morris Street to the Tidewater Basin. A significant portion of this district is located on the water's edge, where a marina is permitted and encouraged to be developed as part of a larger, predominantly residential development. The Hudson River Waterfront Walkway is required for all development located on property that abuts the water's edge. The minimum standards of the New Jersey Department of Environmental Protection (DEP) for the Hudson River Waterfront Walkway are adopted herein by reference, and are considered to be a part of this Redevelopment Plan.
2. Permitted Uses
 - a. Residential
 - b. mixed-uses consisting of residential uses mixed with retail sales and services, including child day care, restaurants, and offices, **and medical offices.**
 - i. **Medical Offices are limited to corner lots and may not to exceed 1,500 square feet of floor area.**
 - c. marina and related uses on the underwater parcels.
3. Accessory uses
 - a. off-street parking
 - b. recreation areas
 - c. **child** day care facilities
 - d. access to the marina
4. Maximum Heights
 - a. Heights shall not exceed six stories and 75 feet on Blocks 15901 and 14205.
 - b. Heights shall not exceed four stories and 50 feet on Block 14204. However, a height bonus of up to an additional 30 feet and three stories, for a maximum height of 80 feet and seven stories, may be permitted where the Planning Board approves a community benefit parking plan ("Community Benefit Parking Plan") and enters into an agreement with a developer outlining such Community Benefit Parking Plan ("Developer's Agreement"), providing for the development of accessory off-street parking on the site. Any such approved Community Benefit Parking Plan and Developer's Agreement must comply with the Parking Standards and Requirements set forth in Section VI herein, with the exception that a 10% additional number of spaces for guest and staff parking, referenced in Section VI(1), shall not be required. Any approved Community Benefit Parking Plan and Developer's Agreement must require that additional parking of at least 50 parking spaces above the minimum parking standard shall be provided and made available to residents of the Tidewater Basin Redevelopment Plan Area, which shall not include residents of the proposed development. The Community Benefit Parking Plan and Developer's Agreement may permit valet parking.
5. Setbacks
 - a. Development containing commercial space on the ground floor may locate up to the property line for the length of the entire development. Development with 100% ground floor residential must set back a minimum of 5 feet from the front property line. Residential buildings fronting on the required waterfront walkway shall set back a least ten feet from the walkway easement, which setback area may be landscaped and fenced. All facades facing onto the waterfront walkway shall be designed to appear as front entrances and not back yards.
6. Densities

- a. 75 dwelling units per acre for developments that are 100 percent residential. Mixed use projects shall have their residential density reduced by the number of units that could have been built in the commercial space given the average square footage of a residential unit within the development not including any common areas. However, a density bonus of up to an additional 100 units per acre, for a maximum density of 175 units per acre, may be permitted where the following is achieved:
- 1) The Planning Board approves a Community Benefit Parking Plan and enters into a Developer's Agreement, consistent with the requirements of Section VII C 4(b) above.
 - 2) The developer incorporates within the development at least one "green" building component, which shall consist of the installation of a solar panel array covering a minimum of 10% of the roof area above the highest residential floor or 5% of the footprint of any proposed building, whichever is greater, for the purpose of converting sunlight into useable electricity
 - 3) The developer agrees that through-the-wall heat pumps will not be installed within any first or second floor residential units that front on a public street.

City Clerk File No. Ord. 15.068

Agenda No. 3.H 1st Reading

Agenda No. _____ 2nd Reading & Final Passage

ORDINANCE OF JERSEY CITY, N.J.



COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE Ord. 15.068

TITLE:

**AN ORDINANCE AUTHORIZING THE TRANSFER OF CITY-OWNED
PROPERTY WITHIN THE BAYFRONT I REDEVELOPMENT AREA TO
THE JERSEY CITY REDEVELOPMENT AGENCY**

WHEREAS, the City of Jersey City is the owner of a certain parcel of real property known and designated as:

<u>BLOCK</u>	<u>LOT</u>	<u>STREET ADDRESS</u>
24601	12	Kellogg Street

situated in the City of Jersey City, Hudson County, New Jersey; and as more particularly shown on the Official Assessment Map and referenced in the designation assigned to individual tax lot in the records of the Tax Assessor (hereinafter "Property"); and

WHEREAS, the Municipal Council of the City of Jersey City has declared, that the Property contained within the Bayfront I Study Area is an area deemed "in need of redevelopment" pursuant to N.J.S.A. 40A:55-12 et. seq.; and

WHEREAS, the Municipal Council adopted, by Ordinance No. 08-025 at its meeting of March 12, 2008, the Bayfront I Redevelopment Plan; and

WHEREAS, the Property lies within the legally established boundaries of the Bayfront I Redevelopment Plan Area; and

WHEREAS, it has been determined that the Property is not needed for any municipal public purpose or use; and

WHEREAS, the Jersey City Redevelopment Agency has the responsibility of acquiring property within the Bayfront I Redevelopment Area to effectuate the redevelopment and revitalization of the Bayfront I Redevelopment Area; and

WHEREAS, the Jersey City Redevelopment Agency has deemed it necessary to acquire the Property from the City of Jersey City to accomplish the objectives of the Bayfront I Redevelopment Plan; and

WHEREAS, the City of Jersey City may transfer the Property to the Jersey City Redevelopment Agency pursuant to N.J.S.A. 40A:12A-39(a) & (f).

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

1. Pursuant to N.J.S.A. 40A:12A-39(a) & (f) the transfer of Property known as

<u>BLOCK</u>	<u>LOT</u>	<u>STREET ADDRESS</u>
24601	12	Kellogg Street

to the Jersey City Redevelopment Agency is hereby authorized for purpose of implementing the Bayfront I Redevelopment plan.

2. That the Mayor or Business Administrator are hereby authorized and directed to execute a deed and all necessary or appropriate instruments to convey and effectuate the transfer of the aforesaid Property to the Jersey City Redevelopment Agency.

- A. All Ordinances and part of Ordinances inconsistent herewith are hereby repealed.
- B. This Ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this Ordinance codified and incorporated in the official copies of the Jersey City Code.
- C. This Ordinance shall take effect at the time and in the manner as provided by law.
- D. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of the Ordinance reveals that there is a conflict between those numbers and the existing code in order to avoid confusion and possible accidental repealers of existing provisions.

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐

Not Required ☐

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

AN ORDINANCE AUTHORIZING THE TRANSFER OF CITY-OWNED PROPERTY WITHIN THE BAYFRONT I REDEVELOPMENT AREA TO THE JERSEY CITY REDEVELOPMENT AGENCY

Initiator

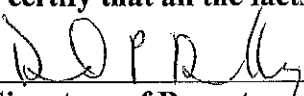
Department/Division	Jersey City Redevelopment Agency	
Name/Title	David P. Donnelly	Executive Director
Phone/email	201-761-0819	DonnellyD@icnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

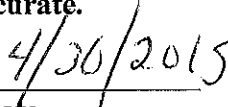
Resolution Purpose

This small parcel of land, located within the boundaries of the Bayfront I Redevelopment Area is needed to complete site assemblage and is to be incorporated into the Bayfront I project. In order to do this, title is to be conveyed by the City to JCRA and then by JCRA to Bayfront Redevelopment LLC. For informational purposes, this property is part of the joint venture deal between the City, JCRA and Bayfront Redevelopment LLC (Honeywell).

I certify that all the facts presented herein are accurate.



Signature of Department Director



Date



INTER-OFFICE MEMORANDUM

TO: Jeremy Farrell, Corporation Counsel
Annemarie Miller, Real Estate Manager

FROM: David P. Donnelly, Executive Director *DPD*

DATE: April 30, 2015

SUBJECT: Block 24601, Lot 12
Bayfront I Redevelopment Area

On May 12, 2008 the JCRA and Bayfront Redevelopment LLC (Honeywell) entered into a Redevelopment Agreement for construction of a mixed use project in the Bayfront I Redevelopment Area. The above mentioned property is part of this project. At the time of transfer of City owned properties located on Route 440, this lot was not included. We would now like to request the City to transfer said lot to the Agency. In that regard, we have prepared a Transfer Ordinance along with the appropriate Fact Sheet for your review and approval. If all is in order would you kindly include same on the next City Council Agenda.

Once title is transferred to JCRA we will transfer same to Bayfront Redevelopment LLC. Thank you for your assistance with this matter. Any questions, please feel free to contact me.

/mpn

c: Council President Lavarro, Jr.
Councilwoman Coleman

attachment

City Clerk File No. Ord. 15.069

Agenda No. 3.1 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.069

**TITLE: ORDINANCE AUTHORIZING A FIFTH AMENDMENT TO THE CITY'S LEASE
WITH JOURNAL SQUARE PLAZA URBAN RENEWAL ASSOCIATES FOR ONE
JOURNAL SQUARE PLAZA, BLOCK 586.5, LOT PLOT B TO AMEND THE TERM
AND SQUARE FOOTAGE OF SPACE.**

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, the City of Jersey City (City) needs office space for various Departments; and

WHEREAS, N.J.S.A. 40A:12-5 provides that a municipality may by ordinance authorize a lease of real property if it determines it is needed for municipal purposes; and

WHEREAS, Journal Square Plaza Urban Renewal Associates is the owner of Block 586.5, Lot Plot B, more commonly known by the street address as One Journal Square Plaza (property); and

WHEREAS, by the adoption of Ordinance 05-015, the City approved a lease with Journal Square Plaza Urban Renewal Associates (Landlord) for ten (10) years for approximately 28,202 square feet of space at the Property, consisting of the entire 2nd and 3rd floors of the Property; and

WHEREAS, the lease expires on May 31, 2015; and

WHEREAS, the rent for the space was \$21.25 per square foot or \$599,292.50 per year for the last five (5) years of the term of the lease; and

WHEREAS, by the adoption of Ordinance 06-008 the parties amended the lease, effective March 1, 2006, and increased the Premises by 3,200 square feet, located on the 4th floor; and

WHEREAS, by the adoption of Ordinance 12-076, the parties amended the lease, effective June 1, 2012, to add the remainder of the 4th floor, which increases the total leased premises consisting of all of the 2nd, 3rd and 4th floors of property to 42,326 square feet; and

WHEREAS, the total annual rent for the entire 42,326 square feet, shall be \$787,456.50 each year and;

WHEREAS, Ordinance 12-124, adopted on October 10, 2012 a third amendment to amend the lease to include as additional rent the construction costs of improvements to be performed by the Landlord; and

WHEREAS, by adoption of Ordinance 13-106 the parties amended the lease to include the Architecture fees; and

WHEREAS, the 3rd floor consisting of 14,101 sq. ft. has offices for the Divisions of Information Technology, Accounts & Control, Treasury, Pension and Payroll with a term from June 1, 2015 through October 31, 2015; and

WHEREAS, the 4th floor consisting of 14,101 sq. ft. has the Police Headquarters with a term from June 1, 2015 to May 31, 2016 with the City's right to terminate said Extended Term upon ninety (90) days prior written notice to Landlord; and

WHEREAS, Journal Square Plaza Urban Renewal Associates is willing to extend the term of the Lease for the 3rd floor of the Premises to October 31, 2015 and for the 4th Floor of the Premises from June 1, 2015 to May 31, 2016 subject to the terms and conditions herein contained; and

WHEREAS, the rent for the 3rd and 4th floors of 28,202 sq. ft. shall be \$19.40 per sq. ft. for a total of \$45,593.24 monthly (\$22,796.62 for each floor) or \$547,118.88 annually.

WHEREAS, funds will be made available in the CY 2015 temporary, permanent and future year budgets in the Municipal Rent Account # 01-201-31-432-304.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

1. The Mayor of business Administrator is authorized to execute a Fifth Amendment to the Lease Agreement with Journal Square Plaza Urban Renewal Associates to amend the term and square footage space.
2. The Fifth Amendment to the Lease shall be in substantially in the form attached, subject to such modifications as may be deemed necessary or appropriate by the Business Administrator or Corporation Counsel.
3. All Ordinances and parts of Ordinances inconsistent herewith are hereby repealed.
4. This Ordinance shall be a part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
5. This Ordinance shall take effect at the time and in the manners provided by law.
6. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this Ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore, underlining has been omitted. For purposes of advertising only, new matter in indicated by **bold face** and repealed matter by italic.

I hereby certify that there are sufficient funds available in Municipal Rent Account # 01-201-32-432- 304 for P.O. # _____.

Donna Mauer, Chief Financial Officer

APPROVED AS TO LEGAL FORM

APPROVED: Ann Marie Miller, Real Estate Manager

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐

Not Required ☐

ORDINANCE/RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

ORDINANCE AUTHORIZING A FIFTH AMENDMENT TO THE CITY'S LEASE WITH JOURNAL SQUARE PLAZA URBAN RENEWAL ASSOCIATES FOR ONE JOURNAL SQUARE PLAZA, BLOCK 586.5 LOT PLOT B TO AMEND THE TERM AND SQUARE FOOTAGE OF RENTAL SPACE.

Initiator

Department/Division	Administration	Real Estate
Name /Title	Steve Miller	Confidential Assistant
Phone/E-Mail	(201) 547-4904 (201) 206-9531	

Note initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Ordinance/Resolution Purpose

To provide office space for City Employees at One Journal Square as follows:
The 3rd floor consisting of 14,101 sq. ft. has offices for the Division of Information Technology, Accounts & Control, Treasury, Pension and Payroll with a term from June 1, 2015 through October 31, 2015. The 4th floor consisting of 14,101 sq. ft. has the Police Headquarters with a term from June 1, 2015 through May 31, 2016 with the City's right to terminate said Extended Term upon ninety (90) days prior written notice to the Landlord. The rent for the 3rd and 4th floors consisting of 28,202 sq. ft. shall be \$19.40 per sq. ft. for a monthly total of \$45,593.24 (\$22,796.62 for each floor) or \$547,118.88 annually.

I certify that all the facts presented herein are accurate.



Signature of Department Director



Date

Requisition #

0169823

CITY OF JERSEY CITY

394 CENTRAL AVE.
2ND FLOOR
JERSEY CITY NJ 07307

Requisition

Assigned PO #

116855

Vendor
JOURNAL SQUARE PLAZA URBAN
RENEWAL ASSOCIATES
PO BOX 842333
BOSTON MA 02284
JO441260

Dept. Bill To
DIVISION OF REAL ESTATE
MUNICIPAL COURT BUILDING
365 SUMMIT AVENUE
JERSEY CITY NJ 07306

Dept. Ship To
DIVISION OF REAL ESTATE
MUNICIPAL COURT BUILDING
365 SUMMIT AVENUE
JERSEY CITY NJ 07306

Contact Info
PEGGY RAUSCH X5234
0000000000

Quantity	UOM	Description	Account	Unit Price	Total
1.00	EA	ENCUMBRANCY	01-201-31-432-304	137,000.00	137,000.00
THIS PURCHASE ORDER IS FOR ENCUMBRANCY PURPOSES ONLY TO ESTABLISH FUNDING FOR OFFICE SPACE AT ONE JOURNAL SQUARE NAME OF CONTRACT: JOURNAL SQUARE PLAZA, URA TOTAL CONTRACT: \$230,000.00 PLUS COMMON CHARGES TEMPORARY ENCUMBRANCY: \$137,000.00 TO COVER FROM 6/1/15 THRU 8/31/15 PAYMENTS WILL BE MADE FROM TIME TO TIME ON PARTIAL PAYMENT VOUCHERS.					

Requisition Total 137,000.00

Req. Date: 04/07/2015

Requested By: PEGGYR

Buyer Id:

Approved By: _____

This Is Not A Purchase Order

**FIFTH AMENDMENT TO LEASE BETWEEN JOURNAL SQUARE PLAZA URBAN
RENEWAL ASSOCIATES [LANDLORD] AND THE CITY OF JERSEY CITY
[TENANT]**

WHEREAS, by Lease Agreement dated March, 2005, [the Lease] Landlord leased certain Premises, including the entire second and third floors of the building and certain outside parking spaces commonly known as One Journal Square Plaza, Jersey City, New Jersey [the Premises] to Tenant; and

WHEREAS, by First Amendment to Lease effective as of March 1, 2006, the Lease was amended so as to add a portion of the 4th floor to the Premises consisting of an additional 3,200 square feet of space, which increased the Tenant's Rent and share of Additional Rent, as more particularly set forth therein; and

WHEREAS, by Second Amendment to Lease effective as of June 1, 2012, the Lease was amended so as to add the remaining 10,900 square feet of the 4th floor to the Premises, resulting in the entirety of the Second, Third and Fourth Floors as constituting the Premises, together with a kiosk area consisting of approximately 10 feet x 10 feet in the main floor lobby of the building in which the Premises are located, resulting in a total of 42,326 square feet and an annual Rent in the amount of \$787,456.50; and

WHEREAS, by Third Amendment to Lease effective June 1, 2012, Landlord constructed certain improvements to the Premises for the benefit of Tenant; and

WHEREAS, by Fourth Amendment to Lease, the costs for the Third Amendment improvements were increased to include architect fees; and

WHEREAS, effective April 1, 2014, the 2nd floor was removed from the Premises, resulting in a reduction of the Annual Rent, a reduction in Tenant's "proportionate share" for Additional Rent, as defined in Section 2.02(1)(iii) to 53.33% and a reduction in the number of parking spaces allocated to Tenant to 32; and

WHEREAS, Tenant is desirous of extending the term of the Lease for the 3rd floor Premises containing 14,101 sq. ft., occupied by the Divisions of Information, Technology, Accounts and Control, Treasury, Pension and Payroll from June 1, 2015 to October 31, 2015; and

WHEREAS, Tenant is desirous of extending the term of the Lease for the 4th floor Premises containing 14,101 sq. ft. occupied by the Police Headquarters for an additional one (1) year from June 1, 2015 to May 31, 2016 with the right to terminate said Extended Term upon ninety (90) days prior written notice to Landlord; and

WHEREAS, Landlord is willing to extend the term of the Lease for the 3rd floor of the Premises to October 31, 2015 and for the 4th Floor of the Premises for an additional one (1) year subject to Tenant's right to terminate said Extended Term upon ninety (90) days prior written notice to Landlord.

WHEREAS, the rent for the 3rd and 4th floors of 28,202 sq. ft. shall be \$19.40 per sq. ft. monthly for a total of \$45,593.24 monthly (\$22,796.62 for each floor) or \$547,118.88 annually

NOW THEREFORE, in consideration of the covenants and conditions herein contained, the parties hereto agree as follows:

1. The term of the Lease for the 3rd floor Premises containing 14,101 sq.ft. occupied by Divisions of Information, Technology, Accounts and Control, Treasury, Pension and Payroll is extended until October 31, 2015.
2. The term of the Lease for the 4th floor of the Premises containing 14,101 sq.ft. occupied by the Police Headquarters is extended for an additional one (1) year commencing June 1, 2015 and ending May 31, 2016 (the "Extended Term"). Tenant has the right to terminate said Extended Term upon ninety (90) days prior written notice to Landlord.
3. The rent for the 3rd and 4th floors (containing a total of 28,202 sq. ft.) shall be \$19.40 per sq. ft. monthly for a total of \$45,593.24 month (\$22,796.62 for each floor or \$547,118.88 annually. Upon the 3rd floor premises being vacated by the Divisions of Information, Technology, Accounts and Control, Treasury, Pension and Payroll: a) Tenants "proportionate share" as defined in Section 2.02 (a) (iii) shall be reduced to 26.666% and b) the number of parking spaces allocated to Tenant shall be reduced to 16.
4. This Fifth Amendment shall become effective only after execution hereof by both Landlord and Tenant.
5. Except as herein modified, all of the terms and conditions of the Lease and the First, Second, Third and Fourth Amendments to Lease shall remain in full force and effect.

WITNESS:

Landlord

Journal Square Plaza Urban Renewal Associates
By: JSQ REALTY, LLC, General Partner

By: _____
Joseph A. Panepinto, Managing Member

Dated: _____

WITNESS:

Tenant

City of Jersey City

By: _____

City Clerk

Business Administrator

Dated: _____

City Clerk File No. Ord. 15.070
Agenda No. 3.J 1st Reading
Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.070

TITLE: AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 8803, LOT 9.01, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 210 NINTH STREET

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, the City of Jersey City as an area in need of rehabilitation, is authorized to adopt an ordinance to utilize tax exemptions pursuant to N.J.S.A. 40A:21-1, et seq., the Five (5) Year Exemption and Abatement Law; and

WHEREAS, pursuant to N.J.S.A. 40A:21-1 et seq., the City of Jersey City adopted Ordinance 05-060, Section 304-6 et seq. of the Municipal Code, to allow Five (5) Year Tax Exemptions which allows the Tax Assessor to regard the full and true value or a portion thereof of certain improvements as not increasing the full and true value of certain property for a period of five (5) years, provided the owner's application is approved by the Tax Assessor and by Ordinance of the Municipal Council; and

WHEREAS, pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code, a tax exemption for the construction of a new five (5) story mixed use Multiple Dwelling building containing twenty-five (25) residential units and 3,026 square feet of ground floor commercial space on the Property, is permitted for a period of five (5) years; and

WHEREAS, Two Ten, LLC [Entity], is the owner of Property designated as Block 8803, Lot 9.01, on the City's Tax Map and more commonly known by the street address of 210 Ninth Street, Jersey City, NJ; and

WHEREAS, the Entity has constructed a new five (5) story mixed use Multiple Dwelling building containing twenty-five (25) residential units and 3,026 square feet of ground floor commercial space on the Property; and

WHEREAS, construction began prior to the passing of Ordinance 14-027 on March 12, 2014, which requires the submission of an application before the start of construction, thus that requirement of Ordinance 14-027 does not apply to this Project which is Substantially Complete; and

WHEREAS, on October 22, 2014, within thirty (30) days of Substantial Completion, the Entity filed an application for a five (5) year tax exemption to construct a new commercial use Project, a copy of which application is attached hereto; and

WHEREAS, Two Ten, LLC, proposes to pay the City (in addition to the full taxes on the land, which shall continue to be conventionally assessed and are currently taxed at the sum of \$42,649) a tax payment for the new improvements on the property, as follows:

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ. AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 8803, LOT 9.01, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 210 NINTH STREET

- (a) 2015: the tax year in which the structure will be completed. \$0 taxes due on improvements;
- (b) 2016: the second tax year, 20% of taxes otherwise due on improvements, estimated to be \$14,230;
- (c) 2017: the third tax year, 40% of taxes otherwise due on improvements, estimated to be \$28,460;
- (d) 2018: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be \$42,690; and
- (e) 2019: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be \$56,921;

WHEREAS, the Tax Assessor has determined that the new construction will generate an additional tax payment of \$42,649 for land and \$71,151 for improvements, for a total of \$113,800 a year; and

WHEREAS, the applicant has agreed that in the event the Citywide revaluation results in a decrease in the estimated amount of actual taxes otherwise due, then for purposes of calculating a tax payment hereunder and for the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes otherwise due; and

WHEREAS, the application for tax exemption was complete and timely filed; the application was approved by the Tax Assessor and the commercial Project is eligible for tax exemption pursuant to N.J.S.A. 40A:21-9 and Section 304-12 of the Municipal Code; and

WHEREAS, upon the expiration of the tax exemption, the total assessment, including both land and improvements, will generate a total tax payment of \$113,800; and

WHEREAS, Two Ten, LLC, has agreed to pay the sum of \$42,039 to the City's Affordable Housing Trust Fund, which shall be paid in intervals set forth in Section 304-28 of the Municipal Code.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

1. The application, attached hereto, for a five (5) year tax exemption for the full and true value a new five (5) story mixed use Multiple Dwelling building containing twenty-five (25) residential units and 3,026 square feet of ground floor commercial space, located in Block 8803, Lot 9.01, and more commonly known by the street address of 210 Ninth Street, Jersey City, N.J., is hereby approved.
2. The Mayor or Business Administrator is hereby authorized to execute a tax exemption agreement which shall contain at a minimum, the following terms and conditions:

- (a) tax payment on the new improvements shall be:
 - (i) Year 1: the tax year in which the structure will be completed. \$0 taxes;

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ. AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 8803, LOT 9.01, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 210 NINTH STREET

- (ii) Year 2: the second tax year, 20% of taxes otherwise due on improvements, estimated to be \$14,230;
- (iii) Year 3: the third tax year, 40% of taxes otherwise due on improvements, estimated to be \$28,460;
- (iv) Year 4: the fourth tax year, 60% of taxes otherwise due on improvements, estimated to be \$42,690; and
- (v) Year 5: the fifth tax year, 80% of taxes otherwise due on improvements, estimated to be \$56,921.

The applicant has agreed that in the event the Citywide revaluation results in a decrease in the amount of actual taxes otherwise due for purposes of calculating a tax payment hereunder; during this five (5) year period, the amount due hereunder shall be calculated on the higher of the amount estimated above or the actual taxes due after the revaluation; and

(b) The project shall be subject to all federal, state and local laws, and regulations on pollution control, worker safety, discrimination in employment, zoning, planning, and building code requirements pursuant to N.J.S.A. 40A:21-11(b).

(c) If, during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the tax which would have otherwise been payable for each tax year shall become due and payable from the property owner as if no exemption and abatement had been granted. The collector forthwith ad the tax collector shall, within 15 days thereof, notify the owner of the property of the amount of taxes due.

(d) With respect to the disposal of the property, where it is determined that the new owner of the property will continue to use the property pursuant to the conditions which qualified the property, no tax shall be due, the exemption shall continue, and the agreement shall remain in effect.

(e) At the termination of a tax exemption agreement, the new improvements shall be subject to all applicable real property taxes as provided by State law and regulation and local ordinance; but nothing herein shall prohibit a project, at the termination of an agreement, from qualifying for, an receiving the full benefits of, any other tax preferences provided by law.

(f) Affordable Housing Trust Fund: \$1,500 x 25 residential units or \$37,500; and \$1.50 x 3,026 square feet of commercial space or \$4,539, for a total of \$42,039.

3. An obligation to execute a Project Employment and Contracting Agreement to insure employment and other economic benefits to City residents and businesses.
4. The form of tax exemption agreement is attached hereto as Exhibit B, subject to such modification as the Corporation counsel or Business Administrator deems necessary.
5. The Financial Agreement shall be executed by the Entity no later than 90 days following adoption of the within Ordinance. Failure to comply shall result in

a repeal of the herein Ordinance and the tax exemption will be voided.

AN ORDINANCE APPROVING A FIVE (5) YEAR TAX EXEMPTION PURSUANT TO THE PROVISIONS OF N.J.S.A. 40A:21-1, ET SEQ., AND SECTION 304-12 OF THE MUNICIPAL CODE FOR PROPERTY DESIGNATED AS BLOCK 8803, LOT 9.01, ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 210 NINTH STREET

7. The Tax Assessor shall send a copy of the fully executed Financial Agreement will be sent to the Director of the Division of Local Government Services in the Department of Community Affairs within thirty (30) days of execution pursuant to N.J.S.A. 40a:21-11(d).

A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

B. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.

C. This ordinance shall take effect at the time and in the manner provided by law.

D. The actual date of execution of the tax exemption agreement shall not affect, alter or amend the Entity's obligation to make payments according to the intervals set forth in Section 304-28 of the Municipal Code and the tax exemption agreement. Should the Entity fail to make timely payments, interest shall begin to accrue at the rate set forth in the tax exemption agreement.

E. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore underlining has been omitted.
For purposes of advertising only, new matter is indicated by **bold face** and repealed matter by *italic*.

DJ/he
5/04/15

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐

Not Required ☐

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

An Ordinance Approving A Five (5)Year Tax Exemption for a Market Rate Residential Rental Project to be Constructed by Two Ten Ninth Street LLC, Under the Short-Term Tax Exemption Law N.J.S.A. 40A:21-1 et. seq. Designated as Block 8803 Lot 9.01 on the City's Tax Map and known as Two Ten Ninth Street.

Initiator

Department/Division	Mayor's Office	
Name/Title	Marcos Vigil	Deputy Mayor
Phone/email	(201) 547-6542	Mvigil@icnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

The applicant, Two Ten Ninth Street, LLC, is applying for a five (5) year tax abatement under N.J.S.A. 40 A: 21-1 et seq. It is new construction of a market rate five (5) story building with twenty-five (25) residential units and 3,026 square feet of commercial space. There is no onsite parking for this project. The application fee of \$8,500 was paid. The project is complete. Construction began prior to the passing of the Ordinance requiring the submission of an application before the start of construction. The application was submitted within thirty (30) days of the receipt of the Certificate of Occupancy for the project as previously required.

I certify that all the facts presented herein are accurate.

Signature of Department Director

Date

Two Ten Ninth Street Urban Renewal, LLC

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of rental income/condo
4. Projected construction costs
5. Schedule of ASC over the abatement - see tax assessor spreadsheet
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (n/a)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

DISCLOSURE STATEMENT

TWO TEN, LLC

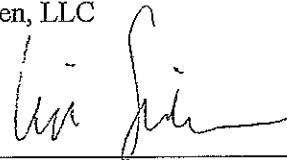
I, Eric Silverman, Managing Member of Two Ten, LLC (the "Entity"), hereby certifies on behalf of the Entity that the following listed persons have an ownership interest in the Entity as follows:

<u>Name</u>	<u>Address</u>	<u>Percentage</u>
Eric Silverman	279 Grove Street Jersey City, NJ 07302	50%
Paul Silverman	279 Grove Street Jersey City, NJ 07302	50%

In addition, the above persons have an ownership interest in the following Entities and Properties:

<u>Entity</u>	<u>Property</u>
9 th Street Urban Renewal, L.L.C.	170 Erie Street
184 Morgan Street Urban Renewal, L.L.C.	184 Morgan Street
272 Grove Street Urban Renewal, L.L.C.	272 Grove Street
273 Grove Street Corner Urban Renewal, L.L.C.	273 Grove Street
Block 284 North Urban Renewal, L.L.C.	232 Pavonia Avenue
Block 283 South Urban Renewal, L.L.C.	1 McWilliams Place
Hamilton Lofts, L.L.C.	242 Tenth Street
EMS Realty Partnership	160 Pamrapo Avenue
Erie 10 th Urban Renewal, L.L.C.	234 Tenth Street
Majestic Urban Renewal, L.L.C.	222 Montgomery Street
River Grove, L.L.C.	275-279 Grove Street
South Block, L.L.C.	9 McWilliams Place
Two Ten, L.L.C.	210 Ninth Street

Two Ten, LLC



Eric Silverman, Managing Member

FISCAL IMPACT COST PROJECTION (MARKET RATE RENTAL UNITS - TIER 1 - 5 YEAR)

Block: 8803 Lot: 9.01 Loc: 210 NINTH ST

Market Rate Rental Units with Retail	Number of Units	Demographic Multipliers (Transit Oriented Development)*				Annual Expenditures		Total Annual Expenditures	
		Household	Students	Residents	Students	Per Capita Municipal	Per Pupil Per School District	Municipal	School District
Studio	3	1,000	0.000	3.00	0.00	\$1,163.68	\$3,445.00	\$3,491.04	\$0.00
1 Bedroom	5	1,421	0.050	7.11	0.25	\$1,163.68	\$3,445.00	\$8,267.96	\$861.25
2 Bedroom	14	2,012	0.120	28.17	1.66	\$1,163.68	\$3,445.00	\$32,778.58	\$5,787.60
3 Bedroom	3	2,798	0.560	8.39	1.66	\$1,163.68	\$3,445.00	\$9,767.94	\$5,787.60
TOTAL	25			38.27	1.93			\$54,305.52	\$12,436.45
									\$66,741.97

1. Total Municipal Ratables	\$5,916,171.47	4. CY 2014 Budget	\$516,841,147	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services Incurred Per Development	\$	66,741.97
2. Residential Ratables Commercial Ratables	\$3,299,371.882 \$1,439,637.425			7. Per Capita Municipal Cost	\$1,163.68	10. Anticipated Taxes (Assuming 74.34 Rate)		
3. Residential Ratables as a Percentage of Total Ratables	55.77%	5. Residential Portion	\$288,124,048	8. Annual Expenditures Per Student**	\$3,445.00	11. Implied Surplus (Cost)		

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

*Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development, Litchkin, November 2005
 **Source: 2014-2015 Jersey City Municipal Cost Per Pupil

1st Year	\$	(24,093.11)
2nd Year	\$	(10,402.29)
3rd Year	\$	4,367.21
4th Year	\$	18,597.36
5th Year	\$	32,827.54

210 Ninth Street
Fiscal Plan

Assessed value	\$1,530,800
<i>Land</i>	\$573,700
<i>Improvements</i>	\$957,100
2014 Tax Rate	7.434

Year	Percentage	Land Tax	Improvement Tax	Total
2015	-	\$42,649	-	\$42,649
2016*	20%	\$42,649	\$14,230	\$56,879
2017*	40%	\$42,649	\$28,460	\$71,109
2018*	60%	\$42,649	\$42,690	\$85,339
2019*	80%	\$42,649	\$56,921	\$99,570
2020*	100%	\$42,649	\$71,151	\$113,800

**Amounts based on 2014 tax rate*

210 Ninth Street

Project Budget

11/15/2014

A.	Land and Improvements	\$	800,000
B.	A & E, Planning, Legal		450,000
C.	Survey and Testing		75,000
D.	Construction Cost		2,000,000
E.	Insurance, Interest and Finance Costs		450,000
F.	Cost of obtaining initial permanent Financing		75,000
G.	Commissions and other exp for lease up		75,000
H.	RE Taxes and assessments during construction		75,000
I.	Developer's Overhead at 5% of Line D		350,000
		\$	<u>4,350,000</u>

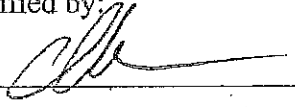
CERTIFICATION OF FINAL CONSTRUCTION COST

TWO TEN, LLC

I, Charles Jordan, R.A. certify to the following:

That, to the extent that our firm has been involved in the design and construction of the Land and Improvements, as more fully described in that certain Financial Agreement dated _____, as between Two Ten, LLC and the City of Jersey City, and based on those records and contracts that have been supplied to us by Two Ten, LLC, we certify that the total construction cost for the above references Project is \$2,000,000.

Certified by:



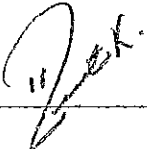
Charles P. Jordan R.A.

Date: 11-11-2014

State of: New Jersey

County of: Essex

Sworn before me this day of 11-11- 2014



Notary

PILAR P. KENNEDY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Oct. 26, 2019

TWO TEN, LLC
BLOCK 8803 Lot 9.01
210 Ninth Street

Block	Lot	Existing Assessments	New Assessments	Land Tax	Bldg. Assessment (Phased-In)
8803	9.01	Land 100000 Bldg 0 Total 100000	573700 957100 1530800		0 957100 957100

**Est. In-lieu of Full Property Tax Payments An Amount
Equal To A Percentage Of Taxes Otherwise Due,
According To The Following Schedule:**

Year			
1	In the first full tax year after completion, no payment in lieu of taxes otherwise due;	42,648.86	0
2	In the second tax year, an amount not less than 20% of taxes otherwise due, estimated to be the sum of;	42,109.58	\$ 14,230.16
3	In the third tax year, an amount not less 40% of taxes otherwise due, estimated to be the sum of;	42,648.86	\$ 28,460.33
4	In the fourth tax year, an amount no less than 60% of taxes otherwise due, estimated to be the sum of;	42,648.86	\$ 42,690.49
5	In the fifth tax year, an amount not less than 80% of taxes otherwise due, estimated to be the sum of;	42,648.86	\$ 56,920.65

**AT THE EXPIRATION OF THE EXEMPTION, THE PROJECT'S
GENERATE APPROXIMATELY THE SUM OF;**

Total Land & Improvement Tax

\$ 11,379,967.20

4/7/2015

DATE: April 8, 2015

TO: Diana Jeffrey (For distribution to City Council and City Clerk)

FROM: Al Cameron, Fiscal Officer - Tax Collector's Office

SUBJECT: FIVE YEAR TAX ABATEMENT: Mixed Use Rental Building – Two Ten Ninth Street, LLC, - Block 8803 Lot 9.01

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, M. Vigil, G. Corrado,

INTRODUCTION:

The applicant, Two Ten Ninth Street, LLC, is applying for a five (5) year tax abatement under N.J.S.A. 40 A: 21-1 et seq. It will be new construction of a market rate five (5) story building with twenty-five (25) residential units and 3,026 square feet of commercial space. The application fee of \$8,500 was paid.

LOCATION OF THE PROPERTY:

The property is known as 210 Ninth Street consisting of Block 8803, Lot 9.01. It is on the north side of Ninth Street between Marin Boulevard and Manila Avenue.

PROPERTY CONSTRUCTED:

The project is complete. Construction began prior to the passing of the Ordinance requiring the submission of an application before the start of construction. The application was submitted within thirty (30) days of the receipt of the Certificate of Occupancy for the project as previously required. The project is a five (5) story building with twenty five (25) residential units consisting of three (3) Studios, fourteen (14) Two Bedrooms and three (3) Three Bedrooms. There is 3,026 square feet of ground floor commercial space.

TOTAL PROJECT COST:

The cost of construction, certified by Charles Jordan, the applicant's architect, is \$2,000,000. Total project cost is \$4,350,000.

CONSTRUCTION SCHEDULE:

The construction complete.

ESTIMATED JOBS CREATED:

The applicant estimates seventy-five (75) jobs were created of during

construction. Post-construction jobs were not estimated.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTIONS:

The applicant will make an AHTF contribution based upon the rate of \$1,500 per residential unit and \$1.50 per square foot of commercial space. See calculation below;

Two Ten Ninth
Street

		Rate	Amount
Residential Units	25	\$1,500.00	\$37,500.00
Sq. Ft. Commercial Space	3,026	\$1.50	\$4,539.00
Total AHTF Payment			<u>\$42,039.00</u>

CURRENT REAL ESTATE TAX:

The new current tax for assessment for the land is \$573,700. The current land tax at the rate of \$74.34 is \$42,648.86.

The building assessment for the improvements is \$957,100. All first quarter Taxes are current. The second quarter taxes are due May 1, 2015 and unpaid.

PROPOSED ABATEMENT:

The applicant has requested a term of five (5) years for the abatement on the improvements. The Applicant will pay the full tax for the land tax in each and every year of the abatement and has proposed a phase-in of the assessment on improvements. In year one (1) the applicant proposes no taxes on improvements. In year two (2) the applicant would pay taxes on twenty percent (20%) of the improvements. The applicant would pay forty percent (40%) in year three (3), sixty percent (60%) in year four (4), Eighty percent (80%) in year five (5) and full taxes in year six (6).

PROPOSED REVENUE TO THE CITY:

The phase-in of taxes on improvements is shown in the table below.

The total taxes projected for the five-year term of the abatement are \$372,987. The total taxes exempted for the term are \$219,231. The Tax Assessor estimated the final assessment based upon information provided by the Applicant. The schedule reflects an estimated annual tax increase of two percent (2%) during the period

FIVE-YEAR ABATEMENT PHASE -IN SCHEDULE

Two Ten LLC							Five Year
Year	1	2	3	4	5	Full Tax	Totals
Current Tax Rate	74.34	75.83	77.34	78.89	80.47	82.08	
Total Tax	113,799.67	116,075.67	118,397.18	120,765.12	123,180.42	125,644.03	592,218.06
Land tax	42,648.86	43,501.84	44,371.87	45,259.31	46,164.50	47,087.79	221,946.37
Tax on Improvements	71,150.81	72,573.83	74,025.31	75,505.81	77,015.93	78,556.25	370,271.69
Phase in %	0%	20%	40%	60%	80%	100%	
Phase in Tax	0.00	14,514.77	29,610.12	45,303.49	61,612.74	78,556.25	151,041.12
Exempted Tax	71,150.81	58,059.06	44,415.18	30,202.33	15,403.19	0.00	219,230.57
Total Tax Payable	42,648.86	58,016.60	73,981.99	90,562.80	107,777.24	125,644.03	372,987.49

Totals may not add due to rounding

Assumes 2% Annual Tax Rate Increase

Per Tax Assessor

Assessments

Land \$573,700

Improvements \$957,100

Total \$1,530,800

TIER ONE (5 YEAR)
5/4/15
NJSA 40A:21-1 et seq
(Multiple Dwelling, Industrial, Commercial)

TAX AGREEMENT
FIVE YEAR/NEW CONSTRUCTION

THIS AGREEMENT made on this _____ day of _____, 2015, by and between the **CITY OF JERSEY CITY** [City], a municipal corporation organized under the Laws of the State of New Jersey and having its principal place of business at 280 Grove Street, Jersey City, New Jersey 07302, and **TWO TEN, LLC**, [Applicant /Owner], whose principal place of business is P.O. Box 3377, Memorial Station, Upper Montclair, NJ 07043.

WITNESSETH:

WHEREAS, the Municipal Council has indicated by its intention to utilize the five year tax exemption provisions authorized by Article VIII, Section I, paragraph VI of the NJ State Constitution and the Five Year Exemption Law, N.J.S.A. 40A:21-1 et seq. for improvements and projects by the adoption of Ordinance 05-060, as amended by Ordinances 07-146 and 14-027; and

WHEREAS, the Applicant is owner of certain property located at 210 Ninth Street, in the City of Jersey City, County of Hudson and State of New Jersey, designated as Block 8803, Lot 9.01 on the Tax Assessor's Map, more commonly known by the street address of 210 Ninth Street and more particularly described in the metes and bounds description attached hereto as Exhibit A [Property];

WHEREAS, on or about October 22, 2014, the Applicant applied for a five year tax exemption for a new Multiple Dwelling containing 25 market rate residential units with 3,026 square feet of commercial/retail space on the Property [Improvements] pursuant to N.J.S.A. 40A:21-1 et seq and Section 304-12 of the Municipal Code [Law]; and

WHEREAS, the City has reviewed the application, approved the construction of the Improvements and authorized the execution of a Tax Exemption Agreement by the adoption of Ordinance _____ on _____.

NOW, THEREFORE, IN CONSIDERATION of the mutual promises and covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I: APPROVAL OF TAX EXEMPTION

The City hereby agrees to a tax exemption for a new Multiple Dwelling containing 25 market rate residential units with 3,026 square feet of commercial/retail space [Improvements] on the Property, as further described in the Application, attached

hereto as Exhibit B, pursuant to the provisions of N.J.S.A. 40A:21-1 et seq. and Ordinance _____ which authorized the execution of this Tax Agreement [Law], subject to the terms and conditions hereof.

ARTICLE II: IN LIEU OF TAX PAYMENTS

The Applicant agrees to make estimated payments on the new Improvements, (separate and apart from taxes on the land and existing improvements which shall continue to be subject to conventional assessment and taxation and for which the Applicant shall receive no credit against the in lieu of tax payment) in lieu of full property tax payments according to the following schedule:

1. For the full calendar of Year 1, no payment in lieu of taxes;
2. For the full calendar of Year 2, twenty (20%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$14,230;
3. For the full calendar of Year 3, forty (40%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$28,460;
4. For the full calendar of Year 4, sixty (60%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$42,690; and
5. For the full calendar of Year 5, eighty (80%) percent of the actual taxes otherwise due, currently estimated to be the sum of \$56,921.

In the event a City-wide revaluation results in decrease in the amount of taxes otherwise due, payment hereunder shall be the higher of either the taxes estimated above or the amount of actual taxes after the City-wide revaluation.

ARTICLE III: APPLICATION FEE

The Applicant has paid the sum of \$8,500 to the City as an application fee. Failure to make such payment shall cause the tax exemption to terminate.

ARTICLES IV: FEDERAL, STATE AND LOCAL LAW

The construction of the Improvements is subject to all applicable federal, State and local laws and regulations on pollution control, worker safety, discrimination in employment, housing provision, zoning, planning and building code requirements.

ARTICLE V: TERM OF EXEMPTION

The Tax Exemption granted shall be valid and effective for a period of five (5) full calendar years from the date of Substantial Completion of the Project, which shall ordinarily mean the date on which the City issues, or the Project is eligible to receive, a

Certificate of Occupancy, whether temporary or final, for part or the whole of the Project. During the term of the tax exemption, the Applicant shall make an in lieu of tax payment to the City in accordance with the schedule set forth above. Prior to the commencement of the tax exemption, and upon expiration thereof, the Applicant shall pay full conventional taxes on the Improvements.

ARTICLE VI: REVALUE

The applicant has agreed that in the event the revalue results in a decrease in the amount of actual taxes otherwise due, for purposes of calculating a tax payment hereunder during the five (5) year period, the amount shall be calculated on the higher of the amount estimated hereunder or the actual taxes.

ARTICLE VII: NO COUNTY EQUALIZATION AND SCHOOL AID

Pursuant to N.J.S.A. 40A:21-11(c), the percentage, which the payment in lieu of taxes for the tax exempt property bears to the property tax which would have been paid had an exemption not been granted for the property under this Agreement, shall not be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the City for determining equalization for county tax apportionment and school aid, during the term of the tax exemption agreement covering this property. At the expiration or termination of this Agreement, the reduced valuation procedure required under the Law shall no longer apply.

ARTICLE VIII: OPERATION OR DISPOSITION OF PROPERTY

If during any year prior to the termination of this Agreement, the Applicant ceases to operate or disposes of the Property, or fails to meet the conditions for qualifying for tax exemption under this Agreement or pursuant to Law, then the tax which would have otherwise been payable for each and every year, shall become due and payable from the Applicant as if no exemption had been granted. The Tax Collector shall, within 15 days thereof, notify the owner of the Property of the amount of taxes due.

However, with respect to the disposal of the property, if it is determined that the new owner will continue to use the property pursuant to the conditions which qualify the property for exemption, the tax exemption shall continue and this Agreement shall remain in full force and effect.

ARTICLE IX: AFFORDABLE HOUSING TRUST FUND CONTRIBUTION REQUIRED

A. **Contribution.** The Entity will pay the City the sum of \$42,039 or [\$1,500 per unit or \$1.50 per 3,026 square feet of commercial space] as a contribution. The sum shall be due and payable as follows:

- i. 1/3 on or before the effective adoption date of the Ordinance approving the tax

exemption;

- ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Tax Agreement; and
- iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Tax Agreement.

ARTICLE X: TERMINATION/ELIGIBILITY FOR ADDITIONAL TAX EXEMPTION

Upon the termination of this Agreement for tax exemption, the Project shall be subject to all applicable real property taxes as provided by State Laws and Regulations and City Ordinances. However, nothing herein shall be deemed to prohibit the Project, at the termination of this Agreement, from qualifying for and receiving the full benefits of any other tax preferences allowed by law. Furthermore, nothing herein shall prohibit the Applicant from exercising any rights under any other tax provisions of State law or City Ordinances.

In the event the owner elects to terminate this tax abatement after the revalue, the owner shall pay the City the difference of 100% of the full amount of the taxes otherwise due from the 1st year of this agreement to the date of termination.

ARTICLE XI: PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

In order to provide City residents and businesses with employment and other economic opportunities, the Applicant agrees to comply with the terms and conditions of the Project Employment & Contracting Agreement which is attached hereto as Exhibit C.

ARTICLE XII: NOTICES

All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, to the party to be notified at the addresses set forth below or at such other address as either party may from time to time designate in writing:

Notice to City:

Business Administrator
City Hall, 280 Grove Street
Jersey City, New Jersey 07302

Notice to Applicant:

**Two Ten, LLC
P.O. Box 3377
Memorial Station
Upper Montclair, NJ 07043**

ARTICLE XIII: GENERAL PROVISIONS

This Agreement contains the entire Agreement between the parties and cannot be amended, changed or modified except by written instrument executed by the parties hereto.

In the event that any provisions or term of this Agreement shall be held invalid or unenforceable by a Court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof; provided, however, that the City continues to receive the full benefit of any economic term hereunder.

This Agreement shall be governed by and construed in accordance with the Laws of the State of New Jersey.

This agreement may be executed in several counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City and the Applicant have caused this Agreement to be executed on the date and year first above written.

WITNESS:

TWO TEN, LLC

BY: _____
Constance Silverman, Member

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

BY: _____
Robert J. Kakolesski
Business Administrator

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made as of the ____ day of ____, 2015, between the **CITY OF JERSEY CITY** [City] having its principal office at 280 Grove Street, Jersey City, NJ 07302, and **TWO TEN, LLC** [Recipient], having its principal office at P.O. Box 3377, Memorial Station, Upper Montclair, NJ 07043.

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into an agreement with the City to implement, in whole or in part, this agreement.
2. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
3. Construction Contract means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway or other improvement on a Project Site.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 280 Grove Street. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or tax exemption for a property or project which requires approval of the Municipal Council.
6. "Employment" includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. Jersey City Employment and Training Corporation or "JCEPT" means the non-profit quasi public Entity with whom the City has an operating agreement to undertake certain employment services.
8. "Local Business" means a bona fide business located in Jersey City.
9. "Minority" means a person who is defined as such under federal or state law.

10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
11. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor and Workforce Development, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
12. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
13. "Project or Project Site" means the specific work location or locations specified in the contract.
14. The "Project Employment & Contracting Coordinator" or "Coordinator" is the employee in the Department of Administration presently, the Executive Director of the Jersey City Employment & Training Program, Inc., who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Coordinator. The Coordinator may refer a developer to the JCEPT or its one-stop career center so long as the City and JCEPT agreement is in full force and effect.
15. The "Project Employment & Contracting Monitor" or "Monitor" is the employee in the Department of Administration who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting administration as stipulated by this agreement.
16. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.
17. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.
18. "The Registry" or "Jersey City Employment Registry" means a data base maintained by the City or its designee, of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
19. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
20. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.

21. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

II. Purpose: Construction Jobs, Business Contracting, Permanent Jobs

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

Because this project is not subject to the terms of a Project Labor Agreement during construction, this agreement shall apply to all Construction Jobs, Business Contracts and non-construction Permanent Jobs. Recipients are also required to notify any commercial tenants of employment services available from the City.

III. Recipient Designee:

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient shall send a letter designating its "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix 1. This Officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Appendix 2.

IV. Term:

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance _____ approving the tax exemption and terminate 5 years from the date of Substantial Completion of the Project.

V. Good Faith Goals:

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient shall only be required to submit the periodic certified manning and certified payroll reports described below to confirm ongoing compliance. All other Recipients must comply with the following Good Faith goals.

1. **Employment (Construction and Permanent Jobs):** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.
2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

VI. Good Faith Defined. Construction Jobs:

1. **Construction Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, each Contractor /Subcontractor shall prepare an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked by City residents, including a list of the number of minority residents and women residents that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Appendix B is the Recipient's Initial Manning Report.
- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept said Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Appendix C.

B. Developer's Contracting Obligations

- i) Once the developer submits the project's initial manning report, he/she must forward a letter with requests for quotation or bid to Mayor Steven M. Fulop's Business Cooperative Program for local and minority vendors for any construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.

- ii) The developer shall make a good faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Mayor Steven M. Fulop's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using Its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting agreement. This compliance statement is detailed in Appendix F. A copy of the signed compliance statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each

trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the contractor or subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked by City residents, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residence, gender and ethnic/racial origin of each worker, work hours and rate of pay and benefits provided. The Certified Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

VII. Good Faith Defined. Permanent Jobs:

1. **Permanent Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will meet with the Coordinator, including the director of JCETP to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:

- i) whether subcontractors will be used in the hiring process.
- ii) the specific types of jobs that need to be filled.
- iii) the qualifications needed for these particular jobs.
- iv) possible training programs offered by the permanent employer.
- v) the Recipient's goals and how it plans to meet these goals.
- vi) any other issues which need to be addressed.

B. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from

the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix 3.

- C. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 1.A.(i)-(vi) and notify the City.
- D. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors.
- E. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix 4.
- F. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
- G. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.
- H. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
- I. Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as

the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

- J. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
- K. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
- L. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
- M. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

VIII. **Good Faith Defined. Business Contracts**

- A. Good Faith shall mean compliance with all of the following conditions:

- i) Solicitation of Businesses:

- a) One month before the solicitation for any goods or services, the Recipient must forward a letter with a description of the goods or services to the Project Employment and Contracting Coordinator;
- b) The Recipient shall provide the City with a written Purchasing Report every month. The form of this report shall be in substantially the form found in Appendix 6.
- c) Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
- d) Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.

- e) Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
 - f) Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.
 - g) Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
 - h) Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
 - i) Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
 - j) Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.
- B. The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by Project Employment and Contracting Monitor of a Recipient, using the masthead of a local or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

IX. Good Faith Defined. Commercial Tenants at the Project Site

Good Faith shall mean compliance with all of the following conditions:

- A. The Recipient shall send all tenants of commercial space, including retail space, within the Project Site a Tenant Employment Services Guide in the form attached as Appendix 7.
- B. The Recipient shall require tenants of commercial, including any retail space to complete an annual questionnaire concerning the composition of the work force of each tenant. The completed questionnaire be submitted to the Project Employment & Contracting Monitor. The questionnaire shall be in the form attached as Appendix 8.
- C. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than December 1st of each year.

X. Notices of Violation:

- 1. Advisory Notice: The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have 7 days to correct the violation.
- 2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City the City shall issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation.
- 3. Correcting the Violation: Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
- 4. Extension of Time to Correction: Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.

If the City determines that the Recipient is in violation after the expiration of the cure periods, the Recipient agrees that the City shall be entitled to the liquidated damages provided below.

XI. Liquidated Damages:

- 1. While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration

of any cure period, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- A. Failure to file Initial Manning Report (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracts): an amount equal to Five percent (5%) increase in the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- B. Failure to conduct Pre-hiring Interviews or submit Compliance Statement (Submit description of goods or services, (Business Contracting): an amount equal to Three (3%) percent of the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- B. Failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Three (3%) percent increase service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- C. The use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Ten (10%) service charge as set forth in the Financial Agreement for each quarter or part thereof, the Recipient is non compliant.

XII. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

Two Ten, LLC
P.O. Box 3377
Memorial Station
Upper Montclair, NJ 07043
Att: Constance Silverman

and

2. When sent by the Recipient to the City, it shall be addressed to:

City of Jersey City
Department of Administration
Division of Economic Opportunity
Project Employment & Contracting Monitor
280 Grove Street
Jersey City, New Jersey 07302
Att: Division Director

and

Director of Jersey City Employment and Training Program, Inc
895 Bergen Avenue—2nd Floor
Jersey City, NJ 07306
Att: Executive Director

with separate copies to the Mayor and the Business Administrator.

XIII. Appendix

These forms are examples only and shall be in substantially the form on file in the Division of Economic Opportunity, subject to modifications from time to time by the City as necessary or appropriate.

1. Letter designating Recipient's Project Employment & Contracting Officer
2. Letter from Recipient to Employees of Recipient's Company
3. Acknowledgment of PECA compliance of Subcontractor
4. Example of Hiring Plan
5. Example of Monthly Employment Report
6. Example of Monthly Purchasing Report
7. Tenant Employment Services Guide
8. Commercial Retail Annual Questionnaire

XIV. Adoption, Approval, Modification:

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

XII. Controlling Regulations and Laws:

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

In the event there are any conflicts between this Agreement and any Project Labor Agreement, then as it pertains to construction jobs covered by the PLA, the Project Labor Agreement shall govern. Wherever possible, this Agreement shall be interpreted consistently with the Project Labor Agreement.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

Robert J. Kakoleski
Business Administrator

WITNESS:

TWO TEN, LLC

Secretary

Constance Silverman, President

City Clerk File No. Ord. 15.071

Agenda No. 3.K 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.071

TITLE: ORDINANCE APPROVING A 10 YEAR TAX EXEMPTION FOR A MARKET RATE RENTAL PROJECT TO BE CONSTRUCTED BY 361 NEWARK AVENUE URBAN RENEWAL CO., LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., LOCATED AT 361 NEWARK AVENUE IN JERSEY CITY

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, 361 Newark Avenue Urban Renewal Co., LLC, is an urban renewal entity, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, N.J.S.A. 40A:20-1 et seq. (Entity); and

WHEREAS, the Entity is the owner of certain property known as Block 10901, Lot 127, on the City's Official Tax map, and more commonly known by the street address of 361 Newark Avenue, and more specifically described by metes and bounds, in the application (Property); and

WHEREAS, the Property is located within the Neighborhood Commercial Zone, as required by N.J.S.A. 40A:20-4 and N.J.S.A. 40A:12A-5(g); and

WHEREAS, by an application dated March 26, 2015, the Entity applied for a 10 year long term tax exemption to construct a market rate residential rental project to consist of a five (5) story building with approximately thirty-nine (39) market rate residential rental units, currently on a vacant lot, with twenty (20) on-site parking spaces (Project); and

WHEREAS, the Entity has agreed to reserve two (2) of 39 units as moderate income affordable housing, which shall be subject to a deed restriction for the term of this abatement; and

WHEREAS, the Project received site plan approval from the Planning Board on November 13, 2014; and

WHEREAS, 361 Newark Avenue Urban Renewal Co., LLC, has agreed to:

1. pay the greater of (i) the Minimum Annual Service Charge or (ii) 10% of the Annual Gross Revenue, which sum is initially estimated to be \$81,148; and which shall be subject to statutory staged increases over the term of the tax exemption; and
2. pay an annual sum equal to 2% of each prior year's Annual Service Charge as an Administrative Fee initially estimated at \$1,623; and
3. provide employment and other economic opportunities for City residents and businesses; and
4. pay to the City, for remittance to Hudson County, an additional amount equal to 5% of the Annual Service Charge estimated to be \$4,057; and
5. pay the sum of \$68,484 to the City's Affordable Housing Trust Fund;
6. execute a Project Employment & Contracting Agreement; and

WHEREAS, the City hereby determines that the relative benefits of the project outweigh the cost of the tax exemption, for the following reasons:

ORDINANCE APPROVING A 10 YEAR TAX EXEMPTION FOR A MARKET RATE RENTAL PROJECT TO BE CONSTRUCTED BY 361 NEWARK AVENUE URBAN RENEWAL, CO., LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., LOCATED AT 361 NEWARK AVENUE IN JERSEY CITY

1. the current real estate taxes generate revenue of only \$10,653, whereas, the Annual Service Charge as estimated, will initially generate revenue of approximately \$81,148 to the City and an additional sum of approximately \$4,057 to Hudson County;
2. the Project will create approximately 70 jobs during construction and 3 new permanent full-time jobs;
3. the Project will stabilize and contribute to the economic growth of businesses in the surrounding area;
4. the Project will further the overall redevelopment objectives of the Neighborhood Commercial Zone, and Urban Enterprise Zone;
5. the City's impact analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; and

WHEREAS, the City hereby determines that the tax exemption is important in obtaining development of the project and influencing the locational decisions of probable occupants for the following reasons:

1. the relative stability and predictability of the Annual Service Charges will make the Project more attractive to investors needed to finance the Project;
2. the relative stability and predictability of the Annual Service Charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will attract tenants to the Project and insure the likelihood of the success of the Project; and

WHEREAS, 361 Newark Avenue Urban Renewal Co., LLC, has initially complied with Executive Order 2002-005 concerning "Disclosure of Lobbyist Representative Status" by filing an appropriate letter in the Office of the City Clerk.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

A. The application of 361 Newark Avenue Urban Renewal Co., LLC, an urban renewal company, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, N.J.S.A. 40A:20-1 et seq., a copy of which is on file in the office of the City Clerk, Block 10901, Lot 127, more commonly known by the street address of 361 Newark Avenue, more specifically described by metes and bounds in the application, is hereby approved.

B. The Mayor or Business Administrator is hereby authorized to execute a tax exemption Financial Agreement. The Financial Agreement shall include at a minimum the following terms and conditions:

1. Term: the earlier of 15 years from the adoption of the within Ordinance or 10 years from the date the project is Substantially Complete;
2. Annual Service Charge: each year the greater of:
 - (a) the Minimum Annual Service Charge equal to \$10,653 upon Project Completion, whether or not the Project is occupied; or
 - (b) 10% of the Annual Gross Revenue, which initial sum is estimated to be \$81,148, and which shall be subject to statutory increases during the term of the tax exemption.
3. Administrative Fee: 2% of the prior year's Annual Service Charge estimated to be \$1,623;
4. County Payment: 5% of the Annual Service Charge to the City for remittance by the City to Hudson County estimated to be \$4,057;
5. Project: A market rate residential rental project, which will consist of a five (5) story building with approximately thirty-seven (37) market rate residential rental units, two (2) on-site moderate income affordable units and approximately twenty (20) on-site parking spaces;

ORDINANCE APPROVING A 10 YEAR TAX EXEMPTION FOR A MARKET RATE RENTAL PROJECT TO BE CONSTRUCTED BY 361 NEWARK AVENUE URBAN RENEWAL, CO., LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., LOCATED AT 361 NEWARK AVENUE IN JERSEY CITY

6. Affordable Housing Trust Fund: \$1,500 per unit or \$58,500 and \$1.50 per square foot x 6,656 square feet or \$9,984, for a total of \$68,484. Such funds are non-refundable and non-transferrable in the event of a termination or expiration of the Financial Agreement;
 7. Staged Adjustments:
 - (a) Stage One: years 1-6;
 - (b) Stage Two: year 7;
 - (c) Stage Three: year 8;
 - (d) Stage Four: year 9;
 - (e) Final Stage: Beginning on the 1st day of the 10th year through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due.
 8. Execution of a Project Employment and Contracting Agreement to insure employment and other economic benefits to City residents and businesses;
 9. The initial installment of the Affordable Housing Trust Fund contribution payment shall be due on execution of the Financial Agreement, but in no event later than 90 days of the adoption of the ordinance. Interest shall accrue on such payments as of the 91st day at the same rate as the City charges for unpaid real estate taxes;
 10. The Financial Agreement shall be executed by the Entity no later than 90 days following adoption of the within Ordinance. Failure to comply shall result in a repeal of the herein Ordinance and the tax exemption will be voided.
 11. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project is: commenced within twenty-four (24) months of the date of adoption of the within Ordinance.
- C. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to the Tax Assessor and Director of the Division of Local Government Services.
- D. The application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.
- E. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- F. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- G. This ordinance shall take effect at the time and in the manner provided by law.
- H. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore underlining has been omitted.
For purposes of advertising only, new matter is indicated by **bold face**
and repealed matter by *italic*.

DJ/he
5/5/15

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

Ten Year Tax Exemption for a Market Rate Residential Rental Project to be Constructed by 361 Newark Avenue Urban Renewal, LLC, An Urban Renewal Entity pursuant to the Long term Tax Exemption Law N.J.S.A. 40A:20-1 et. seq. Known as 361 Newark Avenue Block 10901 Lot 127

Initiator

Department/Division	Mayor's Office	Tax Collector's Office
Name/Title	Marcos Vigil	Deputy Mayor
Phone/email	(201) 547-6542	vigilm@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

The applicant, 361 Newark Avenue Urban Renewal Co., L.L.C., has applied for a Ten (10) Year tax abatement under N.J.S.A. 40A:20-1 et seq. The Entity proposes to construct a five (5) Story thirty-nine (39) unit market rate residential rental project. The application fee of \$9,500 was paid.

The property, commonly known as 361 Newark Avenue, is located on Newark Avenue directly across the street from the intersection of Division and Sixth Streets. It consists of Block 10901 Lot 127. The property is in the Neighborhood Commercial Zone and an Urban Enterprise Zone. It is in the Tier II area of the Jersey City Tax Exemption Policy Map.

I certify that all the facts presented herein are accurate.

Signature of Department Director

Date

361 Newark Avenue Urban Renewal, LLC

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of rental income/condo
4. Projected construction costs
5. Schedule of ASC over the abatement
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (n/a)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

EXHIBIT K
Ownership Disclosure

STATE OF NEW JERSEY)
COUNTY OF HUDSON)

John D. Fio Rito, of full age, being duly sworn to law on oath, deposes and says that deponent is a Member of 361 NEWARK AVENUE URBAN RENEWAL, LLC, a New Jersey Urban Renewal Entity, the owner in fee of all that certain lot, piece of parcel of land situated, lying and being in the City of Jersey City in Hudson County, known and designated as 361-377 Newark Avenue, Lot 127 in Block 10901 in Jersey City, Hudson County, NJ.

I certify that the attached chart represents the name(s) and address(es) of all holders of interests in the Applicant together with the interest of such owners in any other property in the City of Jersey City and other financial agreement(s) in force and effect with the City of Jersey City with respect to such properties, the name of the LLC associated with the project and address of the project. If one or more of the above is itself a corporation or partnership, the above represents the name(s), address(es) and percentage of all parties having an interest in said corporation.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Date: March 26, 2015

361 NEWARK AVENUE URBAN RENEWAL, LLC

By: 

Name: John D. Fio Rito

Title: Authorized Representative

NAME	ADDRESS	% INTEREST	OTHER PROJECTS
JD Fio Rito LLC (John Fio Rito – sole member)	PO Box 4, Jersey City, NJ	25%	None
John Fio Rito (an individual)	PO Box 4, Jersey City, NJ	Sole owner of JD Fio Rito LLC	234 Suydam Ave, Jersey City, NJ
William Santomauro (an individual)	1 Duncan Court, Jersey City, NJ	25%	<ul style="list-style-type: none">• 1 Duncan Court Blk. 16302, Lot 26• 1 Independence Way Blk. 27503, Lot 30 Qualifier 104AX• 316 Seventh Street Blk. 100007, Lot 17 Qualifier 003
192 Parkview, LLC (William Santomauro – sole member)	69 Washington Ave, Kearny, NJ	50%	none

STATE OF NEW JERSEY :
COUNTY OF HUDSON :

On the 26th day of March, 2015, before me personally came John D. Fio Rito, known to me (or satisfactorily proven) to be the person who signed his name to the within instrument in his capacity as an authorized representative of Applicant, and that, being by me duly sworn, did depose and say that he was so authorized to, and did sign, said instrument on behalf 361 Newark Avenue Urban Renewal, LLC.

IN WITNESS WHEREOF, I have hereunto set my hand.



Donald M. Pepe, Esq.
Attorney at Law for the State of New Jersey

FISCAL IMPACT COST PROJECTION (MARKET RATE RENTAL UNITS - TIER II - 10 YEAR)

Block: 10901 Lot: 27 Loc: 361 NEWARK AVE

Market Rate Rental Units with Parking			Demographic Multipliers (Transit Oriented Development)*				Annual Expenditures			Total Annual Expenditures		
Planned Development	Number of Units	Household	Students	Residents	Total	Students	Per Capita Municipal	Per Pupil	Municipal	School District	Total	Total
1 Bedroom	25	1,421	0.050	35.53	1.25	1.25	\$1,163.68	\$3,445.00	\$41,339.79	\$4,306.25	\$45,646.04	
2 Bedroom	14	2,012	0.120	28.17	1.68	1.68	\$1,163.68	\$3,445.00	\$32,778.58	\$5,787.60	\$38,566.18	
TOTAL	39			63.69	2.93	2.93			\$74,118.37	\$10,093.85	\$84,212.22	

1. Total Municipal Ratables	\$5,916,171,471	4. CY 2014 Budget	\$516,641,147	6. Population of Jersey City (2010 Census)	247,597	9. Increase in Services Incurred Per Development	\$	84,212.22
2. Residential Ratables Commercial Ratables	\$3,299,371,882 \$1,439,637,425			7. Per Capita Municipal Cost	\$1,163.68	10. Anticipated Gross PILOT 1st Year	10% AGR \$ 2% Admin \$ 5% County \$	81,418.00 1,623.36 4,070.90
3. Residential Ratables as a Percentage of Total Ratables	55.77%	5. Residential Portion	\$288,124,048	8. Annual Expenditures Per Student**	\$3,445.00	Less Land Tax (74.34)	\$	(34,813.42)
						11. 1st Year Net PILOT	\$	52,303.84
						12. Implied Surplus (Cost)	\$	(31,908.38)

Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs

*Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006

**Source: 2014-2015 Jersey City Municipal Cost Per Pupil

EXHIBIT C

Calculation of Annual Service Charge

ANNUAL GROSS REVENUE COMPUTATION

Total Annual Gross Rental Income (see Exhibit E) = \$827,640

Annual Payment in Lieu of Taxes: $0.1 \times 827,640$ = \$82,764

EXHIBIT E
DESCRIPTION OF RESIDENTIAL LEASES
GOOD FAITH ESTIMATE OF INITIAL RENTS

1.	Name of Tenant	Various	
2.	Term of Lease	No less than 12 months each	
3.	Number of Apartments		
	1 Bedroom	25	
	2 Bedroom (1 st Floor)	3	
	2 Bedroom (Floors 2-5)	11	
	3 Bedroom	0	
	Total		
4.	Rent Per Apartment	Annual	Monthly
	1 Bedroom	\$495,000	\$41,250
	2 Bedroom (1 st Floor)	\$63,000	\$5,250
	2 Bedroom	\$277,200	\$23,100
	3 bedroom		
5.	Total Rent	\$835,200	\$69,600
6.	Premium paid directly by tenant Annually		
	a. Fire & other insurance	None	
	b. Real Estate Taxes of Assessments on property in project	None	
	c. Operating and maintenance expenses ordinarily paid by tenant	Electric, AC and Gas	
7.	Renewal Option (Yes/No)		
	a. Number of Years	(1)	
	b. Renewal Rent	CPI/Market Rate	
8.	Special Features (step-up rents, etc.)	No	
9.	Parking	\$36,000 (20x\$150/month)	
10.	Vacancy Factor (5%)	(\$43,560)	
TOTAL GROSS REVENUE		\$827,640	

EXHIBIT G

TOTAL ANNUAL GROSS REVENUE COMPUTATION

Apartment Rental Income:	\$835,200
Parking Income:	\$36,000
Total Gross Income	\$871,200
	(\$43,560)
Vacancy (5%)	\$827,640
Effective Gross Income	

Reserves	\$16,000
Management Fee	\$14,400
Legal and accounting	\$5,000
Repairs and maintenance	\$16,000
Insurance	\$32,000
Utilities	\$31,200
Labor – Payroll, Taxes & Benefits	\$7,200
Reserves	\$88,557
PILOT Charges	
a. Annual Service Charge	\$82,764
b. County	\$4,138
c. Administrative Fee	\$1,655
Total Expenses	\$210,357
Net Operating Income (before Debt Service):	\$617,283
Debt Service	\$545,231
NET OPERATING INCOME LESS DEBT SERVICE:	\$72,052

*NJSA 40A:20-3(a) provides that "the financial agreement shall establish the method of computing gross revenue for the entity, and the method of determining insurance, operating and maintenance expenses paid by a tenant which are ordinarily paid by a landlord, which shall be included in gross revenue..."

EXHIBIT F

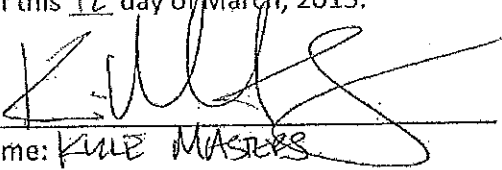
Certification of Total Project Cost

ESTIMATED TOTAL PROJECT COST CALCULATION PER N.J.S.A. 40a:20-3(h)

A.	Cost of land and existing improvements to Urban Renewal entity	2,900,000
B.	Architects, Engineers, surveying and Attorney Fees (paid or payable) in connection with the planning, construction and financing of the Project	1,000,353
C.	Projected construction cost per architect's estimate. Bids including site preparation [includes permits and hook-up fees] – See	5,600,000
D.	Real estate taxes and assessments during construction period	10,000
E.	Insurance, interest and financing costs during construction	250,000
F.	Costs of initial permanent financing	145,000
G.	Commission & other expenses paid in connection with leasing	25,000
H.	Developer's overhead	24,000
TOTAL PROJECT COST.....		\$9,954,353

CERTIFICATION REGARDING CONSTRUCTION

The undersigned, on behalf of FIELDS CONSTRUCTION COMPANY, hereby certifies that the attached estimate of the construction costs for the Project listed at 361 Newark Avenue, Jersey City, NJ is true and accurate as of this 12 day of March, 2015.

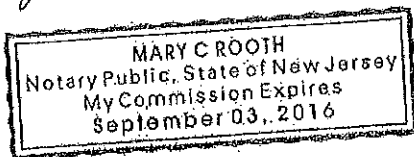

Name: KYLE MASTERS
Title: SRA

STATE OF NEW JERSEY
COUNTY OF HUDSON

On this 12 day of March, 2015, before me personally came KYLE MASTERS, known to me to be the person who signed his/her name to the within Certification in his capacity as SR PROJECT MANAGER of FIELDS CONSTRUCTION COMPANY, and that, being by me duly sworn, did depose and say that he was so authorized to, and did sign, said instrument on behalf of FIELDS CONSTRUCTION COMPANY.

IN WITNESS WHEREOF, I have hereunto set my hand.

Mary C Rooth (Notary Public)
Name:
Title:



SERVICE CHARGE VS CONVENTIONAL

361 NEWARK AVE UR

*ASSUMING 74.34 TAX RATE WITH 2% ANNUAL INCREASE

NEW ASSESSMENTS BASED ON TAX ASSESSOR ANALYSIS

LAND	468,300	COUNTY	5%	EXISTING ASSESSMENT	143,300
BLDG	1,340,400	ADMIN	2%		
TOTAL	1,808,700			PROJECTED SERVICE CHARGE (1ST YEAR)	81,418

YEAR	ASC w/ Phase-In Less Land Tax Credit	ASC w/ 2% Annual Increase	ASC w/ 2% Annual Increase & Phase-In	County (5%)	Admin (2%)	Estimated Conventional Taxes On New Assessment (2% Annual Increase)	Step Up Rate	% of Conv.	Conventional Taxes at 51% (Estimated)	Current Taxes On Existing Assessment	Land Tax
1	46,605	81,418	81,418	4,071	1,628	134,459			68,574	10,653	34,813
2	47,537	83,046	83,046	4,152	1,661	137,148			69,945	10,866	35,510
3	48,487	84,707	84,707	4,235	1,694	139,891			71,344	11,083	36,220
4	49,457	86,401	86,401	4,320	1,728	142,689			72,771	11,305	36,944
5	50,446	88,129	88,129	4,406	1,763	145,542			74,227	11,531	37,683
6	51,455	89,892	89,892	4,495	1,798	148,453			75,711	11,762	38,437
7	52,484	91,690	91,690	4,584	1,834	151,422	20%	30,284	77,225	11,997	39,206
8	53,534	93,524	93,524	4,676	1,870	154,451	40%	61,780	78,770	12,237	39,990
9	54,605	95,394	95,394	4,770	1,908	157,540	60%	94,524	80,345	12,482	40,789
10	86,947	97,302	128,553	6,428	2,571	160,691	80%	128,553	81,952	12,731	41,605

TOTAL

541,558

891,504

922,755

46,138

18,455

1,472,286

315,141

750,866

116,647

381,197

ASC phase-in reflects annual 2% increase in conventional taxes AND Gross Rents

DATE: April 7, 2015

TO: Diana Jeffery (for Distribution to City Council)

FROM: Al Cameron Fiscal Officer, Tax Collector's Office

SUBJECT: TEN – YEAR TAX ABATEMENT APPLICATION: 361 Newark Avenue
Urban Renewal, LLC - Block 10901 Lot 127

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, G. Corrado, M. Vigil

INTRODUCTION:

The applicant, 361 Newark Avenue Urban Renewal Co., L.L.C., has applied for a Ten (10) Year tax abatement under N.J.S.A. 40A:20-1 et seq. The Entity proposes to construct a five (5) Story thirty-nine total units of which 37 units will be market rate residential rental and 2 units will be moderate income affordable housing. The application fee of \$9,500 was paid.

LOCATION OF THE PROPERTY:

The property, commonly known as 361 Newark Avenue, is located on Newark Avenue directly across the street from the intersection of Division and Sixth Streets. It consists of Block 10901 Lot 127. The property is in the Neighborhood Commercial Zone and an Urban Enterprise Zone. It is in the Tier II area of the Jersey City Tax Exemption Policy Map.

PROPERTY TO BE CONSTRUCTED:

The project will be a five (5) story market rate rental building with thirty-nine (39) residential units consisting of twenty-five (25) one bedrooms and fourteen (14) two Bedrooms. There will be on-site parking for twenty (20) vehicles. Two of the units will be reserved for on-site moderate income affordable housing.

TOTAL PROJECT/CONSTRUCTION COST:

The estimated total project cost is \$9,954,353. The construction cost certified by Jaquin Bouzas, the Applicant's architect is \$5,989,626.

CONSTRUCTION SCHEDULE:

The applicant estimates beginning construction upon receiving all necessary approvals. Completion is expected within three hundred and one (301) days of the start date.

ESTIMATED JOBS CREATED:

The applicant estimates that there will be approximately seventy (70) jobs during

construction. Three (3) full-time equivalent post construction real estate jobs are projected. Projected FTEs are one (1) Building Manager and two (2) Building Maintenance Workers. Based upon the estimated cost of construction a Project Labor Agreement is not required. The Applicant will enter into a Project Employment and Contracting Agreement.

CURRENT REAL ESTATE TAXES:

The total assessment of the land is \$143,300. At the current rate of \$74.34 the annual tax is \$10,652.92. The new assessment for the land is \$468,300 and the assessment for the improvements is \$1,370,300. All Taxes are current. The next payment is due on February 1, 2015.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTION:

The required AHTF Contribution is \$68,483. See Schedule below:

361 NEWARK AVENUE URBAN RENEWAL LLC AHTF PAYMENT

		Rate	Amount
Residential Units	39	\$1,500	\$ 58,500
Square footage			
Parking	6,656	\$1.50	\$ 9,984
Total AHTF Payment			<u>\$ 68,484</u>

REVENUE TO THE CITY:

The property is in Tier II of the Jersey City Tiered Tax Exemption Policy Map. The applicant has requested a term of the lesser of fifteen (15) years from the date of approval of an ordinance approving the abatement or ten (10) years from substantial completion of the project.

The tier II Tax Abatement Policy provides for a PILOT of ten percent (10%) of Annual gross revenue, a two percent (2%) City administrative fee and a five percent (5%) service charge to Hudson County. Based upon the Applicant's good faith estimate of Gross Revenue the applicant proposes an Annual Service Charge of \$ 81,148, an administrative fee of \$1,623, and a County Service Charge of \$4,057.

The proposed staged adjustments would begin the first day of year seven (7). The ASC in year seven (7) through the end of year seven (7) would be the greater of ten percent (10%) of gross revenue or twenty percent (20%) of conventional

taxes. Beginning in year eight (8) through the end of year eight (8) it would be the greater of ten percent (10%) of Annual gross revenue, or forty percent (40%) of conventional taxes. Beginning in year nine (9) through the end of year nine (9) it would be the greater of ten percent (10%) of Annual gross revenue, or sixty percent (60%) of conventional taxes. Beginning in year ten (10) until the end of year ten (100) it would be the greater of ten percent (10%) of Annual gross revenue, or eighty percent (80%) of conventional taxes. At the beginning of year eleven (11) the applicant would pay full conventional taxes.

TIER 2 - FINANCIAL AGREEMENT (10 YEAR)
Rev. 5/6/15
Long Term Tax Exemption
N.J.S.A. 40A:20-1, et seq.

Re: 361 Newark Avenue
Block 10901, Lot 127
Neighborhood Commercial Zone
Urban Enterprise Zone

PREAMBLE

THIS FINANCIAL AGREEMENT, [Agreement] is made the ___ day of ___, 2015, by and between **361 NEWARK AVENUE URBAN RENEWAL, LLC** an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office at 280 Newark Avenue, Jersey City, NJ, [Entity], and the **CITY OF JERSEY CITY**, a Municipal Corporation of the State of New Jersey, having its principal office at 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WITNESSETH:

WHEREAS, the Entity is the Owner pursuant to Deed dated December 27, 2014, subject to a Corrective Deed reflecting a change in the corporate name of the Entity, of certain property designated as Block 10901, Lot 127, more commonly known by the street address of 361 Newark Avenue, Jersey City, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

WHEREAS, this property is located within the boundaries of the Neighborhood Commercial Zone Urban Enterprise Zone; and

WHEREAS, the Entity plans to construct a five (5) story building with approximately thirty-seven (37) market rate residential rental units, two (2) moderate income affordable housing units, which shall be subject to a deed restriction for the duration of the term of this tax abatement, and containing approximately twenty (20) parking spaces; [Project]; and

WHEREAS, the Entity has agreed to reserve two (2) of 39 units as moderate income affordable housing; and

WHEREAS, on November 13, 2014, the Project received site plan approval from the Planning Board; and

WHEREAS, on March 26, 2015, the Entity filed an Application with the City for a long term tax exemption for the Project; and

WHEREAS, by the adoption of Ordinance _____ on _____, 2015, the Municipal Council approved a long term tax exemption for the Project and authorized the execution of a Financial Agreement; and

WHEREAS, the City made the following findings:

A. Relative Benefits of the Project when compared to the costs:

1. the current real estate tax generates revenue of only \$10,653 whereas, the Annual Service charge as estimated, will generate revenue to the City of approximately \$81,148;
2. as required by ordinance 13-088, the Entity shall pay the City the sum of \$22,828 on or before the effective date of the ordinance approving the Financial Agreement, and will pay the balance of \$45,656 as an affordable housing contribution as required by the ordinance;
3. it is expected that the Project will create approximately 70 new construction jobs and 3 new permanent full time jobs;
4. the Project should stabilize and contribute to the economic growth of existing local business and to the creation of new businesses, which cater to the new occupants;
5. the Project will further the objectives of the Neighborhood Commercial Zone Urban Enterprise Zone, and will include the development of vacant property;
6. the City's Impact Analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to

finance the Project; and

2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will attract occupants to the Project, insure the likelihood of stabilized rents to tenants and the success of the Project; and
3. have a positive impact on the surrounding area.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., Executive Order of the Mayor 2013-004, Disclosure of Lobbyist Status, Ordinance 02-075, and Ordinance _____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

Section 1.2 General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

- i. Allowable Net Profit- The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).
- ii. Allowable Profit Rate - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per

annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

iii. Annual Gross Revenue - Any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, or as user fees or for any other services. No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party.

iv. Annual Service Charge - The amount the Entity has agreed to pay the City each year for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, pursuant to N.J.S.A. 40A:20-12. It shall include a payment for all profit exceeding Allowable Net Profit, i.e., annual excess profit.

v. Auditor's Report - A complete annual financial statement outlining the financial status of the Project, which shall also include a certification of Total Project Cost and clear computation of the annual Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

vi. Certificate of Occupancy - A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

vii. Debt Service - The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt

for the project for a period equal to the term of this agreement.

viii. Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

ix. Entity - The term Entity within this Agreement shall mean 361 Newark Avenue Urban Renewal, Co., LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

x. Improvements or Project - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

xi. In Rem Tax Foreclosure or Tax Foreclosure - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

xii. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge.

xiii. Land Tax Payments - Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

xiv. Law - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor Steven Fulop, relating to long term tax exemption, as it may be supplemented; Ordinance 02-075 requiring Disclosure of Lobbyist Status and Ordinance _____, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xv. Minimum Annual Service Charge - The Minimum Annual Service Charge shall be the greater of: (a) the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation, which amount the parties agree is \$10,653; or (b) the sum of \$81,148 per year, which sum is equal to

the estimated Annual Service Charge which will be due 12 months following Substantial Completion of the Project.

Following Substantial Completion, the Minimum Annual Service Charge set forth in subsection (b) shall be paid in each year in which the Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

xvi. Net Profit - The Annual Gross Revenues of the Entity less all annual operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all Annual Service charges paid pursuant to N.J.S.A. 40A:20-12; (b) all annual payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

xvii. Pronouns - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

xviii. Substantial Completion - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the first date on which the

Project receives, or is eligible to receive, any Certificate of Occupancy whether temporary or permanent for any portion of the Project.

xix. Termination - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

xx. Total Project Cost - The total cost of constructing the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included from Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. If the Service Charge is a percentage of Total Project Cost, then the Entity agrees that final Total Project Cost shall not be less than its estimated Total Project Cost.

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 10901, Lot 127, more commonly known by the street address 361 Newark Avenue, Jersey City, and described by metes and bounds in Exhibit 1 attached hereto.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct a five (5) story building with approximately thirty-seven (37) market rate residential rental units, two (2) moderate income affordable units, which shall be subject to a deed restriction for the duration of the term of this tax abatement, and approximately twenty (20) parking spaces; all of which is specifically described in the Application attached hereto as Exhibit 3.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5, and in compliance with any Redevelopment Agreement.

Section 2.5 Ownership, Management and Control

The Entity represents that it is the owner of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be used, managed and controlled for the purposes set forth in this Agreement and any Redevelopment Agreement.

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth a good faith estimate of Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Good Faith Estimate of Initial Rents

The Entity represents that its good faith projections of the initial rents and other revenue to the Project are set forth in Exhibit 7.

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of 15 years from the date of the adoption of Ordinance _____ on _____, 20____, which approved the tax

exemption or ten (10) years from the original date of Substantial Completion of the Project. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation or association formed and operating under the Law.

ARTICLE IV - ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge

In consideration of the tax exemption, the Entity shall make the following annual payments to the City for services provided to the Project:

i. City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 10% of the Annual Gross Revenue. The Annual Service Charge shall be billed initially based upon the Entity's estimate of Annual Gross Revenue, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

ii. County Service Charge: an amount equal to 5% of the Municipal Annual Service Charge shall be paid to the City and remitted by the City to the County.

iii. The Minimum Annual Service Charge pursuant to Section 1.2xv(a) shall be due beginning on the effective date of this Agreement. The Minimum Annual Service Charge pursuant to Section 1.2xv(b) shall be due 12 months following Substantial Completion of the Project. The City Service Charge and the County Annual Service Charge shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Staged Adjustments

The Annual Service Charge shall be adjusted, in Stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

i. Stage One: From the 1st day of the month following Substantial Completion until the last day of the 6th year, the Annual Service Charge shall be 10% of Annual Gross Revenue;

ii. Stage Two: Beginning on the 1st day of the 7th year following Substantial

Completion until the last day of the 7th year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the assessed value of the land and Improvements;

iii. Stage Three: Beginning on the 1st day of the 8th year following the Substantial Completion until the last day of the 8th year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the assessed value of the land and Improvements;

iv. Stage Four: Beginning on the 1st day of the 9th year following Substantial Completion until the last day of the 9th year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the assessed value of the land and Improvements.

v. Final Stage: Beginning on the 1st day of the 10th year following Substantial Completion through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due on the assessed value of the land and Improvements.

Section 4.3 Land Tax

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credit against the Annual Service Charge. No credit will be applied against the Annual Service Charge for a partial payment of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4 Quarterly Installments / Interest

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge or any other charge due under this agreement, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid in full.

Section 4.5 Administrative Fee

The Entity shall also pay an annual Administrative Fee to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as two (2%) percent of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge.

Section 4.6 Affordable Housing Contribution and Remedies

A. **Contribution.** The Entity will pay the City the sum of \$68,484 or [\$1,500 per unit or \$1.50 per square foot of 6,656 as a contribution. The sum shall be due and payable as follows:

- i. 1/3 on or before the effective adoption date of the Ordinance approving the tax exemption;
- ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Financial Agreement; and
- iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Financial Agreement.

Section 4.7 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including Annual Net Profits and any adjustments thereto, Administrative Fees, Affordable Housing Contributions, and any interest thereon, and inclusion of two (2) on-site units of moderate income affordable housing, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Section 5.1 Project Employment and Contracting Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8.

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with the proposed construction schedule attached hereto as Exhibit 5. The failure to secure the Certificates of Occupancy shall subject the Property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Section 6.3 Construction Permits

The estimated cost basis disclosed by the Entity's application and proposed Financial Agreement may, at the option of the City, be used as the basis for the construction cost in the issuance of any construction permit for the Project.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar

year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to gross revenue, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Allowable Net Profit for the Entity during the previous year, the excess of which shall be paid to the City each year an excess profit is generated.

B. Total Project Cost Audit: Within ninety (90) days after Substantial Completion of the Project, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, including but not limited to an audit of actual construction costs as certified by the Project architect.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time. All disclosures shall include ownership interests of the individual persons owning any corporate interest in the Entity.

Section 7.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City or the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated

by the Entity for any year during which the tax exemption financial agreement was in full force and effect.

All costs incurred by the City to conduct a review of the Entity's audits, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the Excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year's Gross Revenue.

Section 8.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any year, exceeds the Allowable Net Profits for such year, then the Entity, within one hundred and twenty (120) days after the end of the year, shall pay such excess Net Profits to the City as an additional annual service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity's Excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xx) of this Agreement. If the Service Charge is calculated as a percentage of Total Project Costs, such costs must be included in the Total Project Costs for purposes of calculating the Annual Service Charge.

Section 8.3 Payment of Reserve/ Excess Net Profit Upon Termination, Expiration or Sale

The date of termination, expiration or sale shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the balance of the Excess Net Profit, if any.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Approval of Sale

Any sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity does not own any other Project subject to long term tax exemption at the time of transfer; 2) the new Entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement are fully assumed by the new Entity; 5) the Entity pays in full the maximum transfer fee, currently 2% of the Annual Service Charge, as permitted by N.J.S.A. 40A:20-10(d); and 6) as to projects that are not Substantially Complete, the Entity is comprised of principals possessing substantially the same or better financial qualifications and credit worthiness as the Entity.

Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement.

Section 9.2 Transfer Application Fee

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

Section 10.2 Disclosure of Lobbyist Representative

During the term of this Agreement, the Entity must comply with Executive Order 2013-004, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have thirty (30) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within thirty (30) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such thirty (30) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.7, or a sale of the Project occurs without the consent of the City, the

Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. In order to secure the full and timely payment of the Annual Service Charge, the City on its own behalf, or on behalf of the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action against the Project Area in accordance with Applicable Law, as more fully set forth in this Financial Agreement.

In addition, the City may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, or the Annual Service Charges shall not be subject to the default procedural remedies as provided herein, but shall allow the City to proceed immediately to terminate the Agreement as provided herein. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear, or is applied, directly or impliedly to

mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

Section 12.2 Voluntary Termination by the Entity

The Entity may notify the City that it will relinquish its status as a tax exempt Project, after the expiration of one year from the Substantial Completion of the Project , as of the January 1st of the year next ensuing. The Notice of Voluntary Termination must be received by the City no later than October 1st of the tax year preceding the calendar year in which the termination is to occur. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate. However, under no circumstances will the Entity be entitled to any refund, in whole or in part, of any funds paid to the City to obtain the tax exemption, including but not limited to the Affordable Housing Contribution. In addition, the due date for all Affordable Housing Contribution and any other fees that the Entity agreed to pay under this Agreement, shall be accelerated so that all fees to be paid shall be due on January 1st as a condition precedent of the voluntary termination.

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any remaining excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the land and the Improvements thereon shall thereafter be assessed and

conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne by the Entity. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Section 4.7 as Material Conditions.

Section 13.2 Appeal of Assessment

In calculating the amount of the Staged Adjustments that is, taxes otherwise due, pursuant to Section 4.2 hereof and N.J.S.A. 40A:20-12, either party may file an appeal of the conventional assessment to determine the value of land and improvements.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit the City's right to audit or recover any amount which the City has under law, in equity, or under any provision of this Agreement.

ARTICLE XV - INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action by a third party alleging any breach, default or a violation of any of the provisions of

this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs), arising out of this Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

Section 16.2 Sent by City

When sent by the City to the Entity the notice shall be addressed to:

361 Newark Avenue Urban Renewal, LLC
280 Newark Avenue
Jersey City, NJ 07302
Attn: John Fio Rito

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

Section 16.3 Sent by Entity

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the

Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 18.3 Oral Representations

There have been no oral representations made by either of the parties hereto which are

not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

Section 18.4 Entire Document

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 18.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

ARTICLE XIX - EXHIBITS

Section 19 Exhibits

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Good Faith Estimate of Initial Rents;
8. Project Employment and Contracting Agreement;
9. Architect's Certification of Actual Construction Costs.
10. Entity's Deed

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:

361 NEWARK AVENUE URBAN RENEWAL, LLC

ATTEST:

**JOHN FIO RITO
CITY OF JERSEY CITY**

**ROBERT BYRNE
CITY CLERK**

**ROBERT KAKOLESKI
BUSINESS ADMINISTRATOR**

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made as of the ___day of___, 2015, between the **CITY OF JERSEY CITY** [City] having its principal office at 280 Grove Street, Jersey City, NJ 07302, and **361 NEWARK AVENUE URBAN RENEWAL, LLC** [Recipient], having its principal office at 280 Newark Avenue, Jersey City, NJ 07302.

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into an agreement with the City to implement, in whole or in part, this agreement.
2. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
3. Construction Contract means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway or other improvement on a Project Site.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 280 Grove Street. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or tax exemption for a property or project which requires approval of the Municipal Council.
6. "Employment" includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. Jersey City Employment and Training Corporation or "JCEPT" means the non-profit quasi public Entity with whom the City has an operating agreement to undertake certain employment services.
8. "Local Business" means a bona fide business located in Jersey City.
9. "Minority" means a person who is defined as such under federal or state law.

10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
11. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor and Workforce Development, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
12. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
13. "Project or Project Site" means the specific work location or locations specified in the contract.
14. The "Project Employment & Contracting Coordinator" or "Coordinator" is the employee in the Department of Administration presently, the Executive Director of the Jersey City Employment & Training Program, Inc., who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Coordinator. The Coordinator may refer a developer to the JCEPT or its one-stop career center so long as the City and JCEPT agreement is in full force and effect.
15. The "Project Employment & Contracting Monitor" or "Monitor" is the employee in the Department of Administration who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting administration as stipulated by this agreement.
16. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.
17. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.
18. "The Registry" or "Jersey City Employment Registry" means a data base maintained by the City or its designee, of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
19. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
20. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.

21. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

II. Purpose: Construction Jobs, Business Contracting, Permanent Jobs

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

Because this project is not subject to the terms of a Project Labor Agreement during construction, this agreement shall apply to all Construction Jobs, Business Contracts and non-construction Permanent Jobs. Recipients are also required to notify any commercial tenants of employment services available from the City.

III. Recipient Designee:

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient shall send a letter designating its "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix 1. This Officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Appendix 2.

IV. Term:

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance _____, approving the tax exemption and terminate the earlier of 15 years from the date of the adoption of that Ordinance or 10 years from the date of Substantial Completion of the Project.

V. **Good Faith Goals:**

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient shall only be required to submit the periodic certified manning and certified payroll reports described below to confirm ongoing compliance. All other Recipients must comply with the following Good Faith goals.

1. **Employment (Construction and Permanent Jobs):** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.
2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

VI. **Good Faith Defined. Construction Jobs:**

1. **Construction Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, each Contractor /Subcontractor shall prepare an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked by City residents, including a list of the number of minority residents and women residents that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Appendix B is the Recipient's Initial Manning Report.
- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept said Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Appendix C.

B. Developer's Contracting Obligations

- i) Once the developer submits the project's initial manning report, he/she must forward a letter with requests for quotation or bid to Mayor Steven M. Fulop's Business Cooperative Program for local and minority vendors for any

construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.

- ii) The developer shall make a good faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Mayor Steven M. Fulop's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using Its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting agreement. This compliance statement is detailed in Appendix F. A copy of the signed compliance statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the contractor or subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked by City residents, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residence, gender and ethnic/racial origin of each worker, work hours and rate of pay and benefits provided. The Certified Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

VII. Good Faith Defined. Permanent Jobs:

1. **Permanent Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will meet with the Coordinator, including the director of JCETP to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:

- i) whether subcontractors will be used in the hiring process.
- ii) the specific types of jobs that need to be filled.
- iii) the qualifications needed for these particular jobs.
- iv) possible training programs offered by the permanent employer.
- v) the Recipient's goals and how it plans to meet these goals.
- vi) any other issues which need to be addressed.

- B. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix 3.
- C. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 1.A.(i)-(vi) and notify the City.
- D. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors.
- E. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix 4.
- F. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
- G. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.
- H. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
- I. Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this

report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

- J. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
- K. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
- L. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
- M. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

VIII. Good Faith Defined. Business Contracts

- A. Good Faith shall mean compliance with all of the following conditions:
 - i) Solicitation of Businesses:
 - a) One month before the solicitation for any goods or services, the Recipient must forward a letter with a description of the goods or services to the Project Employment and Contracting Coordinator;
 - b) The Recipient shall provide the City with a written Purchasing Report every month. The form of this report shall be in substantially the form found in Appendix 6.
 - c) Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
 - d) Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.

- e) Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
 - f) Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.
 - g) Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
 - h) Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
 - i) Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
 - j) Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.
- B. The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by Project Employment and Contracting Monitor of a Recipient, using the masthead of a local or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

IX. Good Faith Defined. Commercial Tenants at the Project Site

Good Faith shall mean compliance with all of the following conditions:

- A. The Recipient shall send all tenants of commercial space, including retail space, within the Project Site a Tenant Employment Services Guide in the form attached as Appendix 7.
- B. The Recipient shall require tenants of commercial, including any retail space to complete an annual questionnaire concerning the composition of the work force of each tenant. The completed questionnaire be submitted to the Project Employment & Contracting Monitor. The questionnaire shall be in the form attached as Appendix 8.
- C. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than December 1st of each year.

X. Notices of Violation:

- 1. Advisory Notice: The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have 7 days to correct the violation.
- 2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City the City shall issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation.
- 3. Correcting the Violation: Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
- 4. Extension of Time to Correction: Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.

If the City determines that the Recipient is in violation after the expiration of the cure periods, the Recipient agrees that the City shall be entitled to the liquidated damages provided below.

XI. Liquidated Damages:

- 1. While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration

of any cure period, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- A. Failure to file Initial Manning Report (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracts): an amount equal to Five percent (5%) increase in the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- B. Failure to conduct Pre-hiring Interviews or submit Compliance Statement (Submit description of goods or services, (Business Contracting): an amount equal to Three (3%) percent of the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- B. Failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Three (3%) percent increase service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- C. The use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Ten (10%) service charge as set forth in the Financial Agreement for each quarter or part thereof, the Recipient is non compliant.

XII. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

361 Newark Avenue Urban Renewal, LLC
280 Newark Avenue
Jersey City, NJ 07302
Att: John Fio Rito

and

2. When sent by the Recipient to the City, it shall be addressed to:

City of Jersey City
Department of Administration
Division of Economic Opportunity
Project Employment & Contracting Monitor
280 Grove Street
Jersey City, New Jersey 07302
Att: Division Director

and

Director of Jersey City Employment and Training Program, Inc
895 Bergen Avenue—2nd Floor
Jersey City, NJ 07306
Att: Executive Director

with separate copies to the Mayor and the Business Administrator.

XIII. Appendix

These forms are examples only and shall be in substantially the form on file in the Division of Economic Opportunity, subject to modifications from time to time by the City as necessary or appropriate.

1. Letter designating Recipient's Project Employment & Contracting Officer
2. Letter from Recipient to Employees of Recipient's Company
3. Acknowledgment of PECA compliance of Subcontractor
4. Example of Hiring Plan
5. Example of Monthly Employment Report
6. Example of Monthly Purchasing Report
7. Tenant Employment Services Guide
8. Commercial Retail Annual Questionnaire

XIV. Adoption, Approval, Modification:

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

XII. Controlling Regulations and Laws:

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

In the event there are any conflicts between this Agreement and any Project Labor Agreement, then as it pertains to construction jobs covered by the PLA, the Project Labor Agreement shall govern. Wherever possible, this Agreement shall be interpreted consistently with the Project Labor Agreement.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

Robert J. Kakoleski
Business Administrator

WITNESS:

**361 NEWARK AVENUE URBAN
RENEWAL, LLC**

Secretary

John Fio Rito, President

City Clerk File No. Ord. 15.072

Agenda No. 3.1 1st Reading

Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.072

TITLE:

ORDINANCE APPROVING A 20 YEAR TAX EXEMPTION FOR A MARKET RATE RESIDENTIAL CONDOMINIUM PROJECT TO BE CONSTRUCTED BY GREENLAND REALTY URBAN RENEWAL CO., LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., LOCATED AT 136 SUMMIT AVENUE

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, Greenland Realty Urban Renewal Co., LLC (Greenland), is an urban renewal entity, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. (Entity); and

WHEREAS, the Entity is the Owner of certain property known as Block 15305, Lot 6.01, on the City's Official Tax map, and more commonly known by the street address of 136 Summit Avenue, and more specifically described by metes and bounds, in the application [Property]; and

WHEREAS, the Property is located within the Summit & Fairmount Redevelopment Plan Area as required by N.J.S.A. 40A:20-4 and N.J.S.A. 40A:12A-5(g).; and

WHEREAS, the Entity has applied for a 20 year long term tax exemption to rehabilitate a vacant existing former hospital building into a three (3) story building with approximately nineteen (19) market rate residential condominium units and an exterior parking area to contain approximately five (5) on-grade parking spaces; and

WHEREAS, the Project received a site plan approval from the Planning Board on October 7, 2014; and

WHEREAS, construction costs are estimated to be \$2,500,000; and

WHEREAS, Greenland Realty Urban Renewal Co., LLC, has agreed to:

1. pay the greater of (i) the Minimum Annual Service Charge or (ii) 12% of Annual Gross Revenue each year, which sum is estimated to be \$49,198, and which shall be subject to statutory staged increases over the term of the tax exemption; and
2. pay an annual sum equal to 1% of each prior year's Annual Service Charge as an Administrative Fee or \$410; and
3. provide employment and other economic opportunities for City residents and businesses;

ORDINANCE APPROVING A 20 YEAR TAX EXEMPTION FOR A MARKET RATE RESIDENTIAL CONDOMINIUM PROJECT TO BE CONSTRUCTED BY GREENLAND REALTY URBAN RENEWAL CO., LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., LOCATED AT 136 SUMMIT AVENUE

4. pay to City for remittance to Hudson County, an equal to 5% of the Annual Service Charge or \$2,050 upon receipt of that charge; and
5. provide a contribution to the City's Affordable Housing Trust Fund, pursuant to Section 304-28 of the Municipal Code, in the amount of \$29,805. This payment is nonrefundable and nontransferrable and shall be forfeited by the Entity should either party terminate the tax exemption prior to the end of the herein term.

WHEREAS, the City hereby determines that the relative benefits of the project outweigh the cost of the tax exemption, for the following reasons:

1. the current real estate taxes generate revenue of only \$15,247, whereas, the Annual Service Charge as estimated, will generate revenue of more than \$49,198 to the City and an additional sum of approximately \$2,050 to Hudson County;
2. it is expected that the Project will create approximately 59 jobs during construction. No new permanent jobs will be created;
3. the Project will stabilize and contribute to the economic growth of businesses in the surrounding area;
4. the Project will further the overall redevelopment objectives of the Summit & Fairmount Redevelopment Plan area;
5. the City's impact analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; and

WHEREAS, the City hereby determines that the tax exemption is important in obtaining development of the project and influencing the locational decisions of probable occupants for the following reasons:

1. the relative stability and predictability of the Annual Service Charges will make the Project more attractive to investors needed to finance the Project;
2. the relative stability and predictability of the Annual Service Charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will attract purchasers to the Project and insure the likelihood of the success of the Project; and

WHEREAS, Greenland Realty Urban Renewal Co., LLC, has initially complied with Executive Order 2002-005 concerning "Disclosure of Lobbyist Representative Status" by filing an appropriate letter in the Office of the City Clerk; and

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

- A. The application of Greenland Realty Urban Renewal Co., LLC, an urban renewal company, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. a copy of which is on file in the office of the City Clerk, for Block 15305, Lot 6.01, more commonly known by the street address of 136 Summit Avenue, more specifically described by metes and bounds in the application is hereby approved.

ORDINANCE APPROVING A 20 YEAR TAX EXEMPTION FOR A MARKET RATE RESIDENTIAL CONDOMINIUM PROJECT TO BE CONSTRUCTED BY GREENLAND REALTY URBAN RENEWAL CO., LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., LOCATED AT 136 SUMMIT AVENUE

B. The Mayor or Business Administrator is hereby authorized to execute a tax exemption Financial Agreement and a Project Employment and Contracting Agreement. The Financial Agreement shall include at a minimum the following terms and conditions:

1. Term: the earlier of 25 years from the adoption of the within Ordinance or 20 years from the date the project is Substantially Complete;
2. Annual Service Charge: each year the greater of:
 - (a) the Minimum Annual Service Charge equal to \$15,247 upon Project Completion, whether or not the Project is occupied; or
 - (b) 12% of Annual Gross Revenue, estimated at \$49,198, which shall be subject to statutory increases during the term of the tax exemption.
3. Administrative Fee: 1% of the prior year's Annual Service Charge;
4. County Payment: an additional 5% of the Annual Service Charge for remittance by the City to Hudson County or \$2,050;
6. Affordable Housing Trust Fund: provide a contribution to the City's Affordable Housing Trust Fund, pursuant to Ordinance 304-28, in the amount of \$29,805, which represents \$1500 per unit at 19 units (\$28,500) and \$1.50 per approximately 870 square feet of parking (\$1,305). This payment is nonrefundable and nontransferable and shall be forfeited by the Entity should either party terminate the tax exemption prior to the end of the herein term;
7. Project: renovation of an existing vacant three (3) story building with a total of nineteen (19) emerging market residential condominium units, and approximately five (5) exterior parking spaces;
8. An obligation to execute (i) a Project Employment and Contracting Agreement to insure employment and other economic benefits to City residents and businesses;
9. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project begins within two (2) years of the adoption of the within Ordinance.

C. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to the Tax Assessor and Director of the Division of Local Government Services.

D. The application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary. The applicant shall execute the tax exemption agreement within ninety (90) days of the date of adoption of the herein Ordinance. Failure to comply shall result in the Ordinance being repealed and the tax exemption rescinded, unless otherwise extended by the sole discretion of the City.

ORDINANCE APPROVING A 20 YEAR TAX EXEMPTION FOR A MARKET RATE RESIDENTIAL CONDOMINIUM PROJECT TO BE CONSTRUCTED BY GREENLAND REALTY URBAN RENEWAL CO., LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., LOCATED AT 136 SUMMIT AVENUE

E. The actual date of execution of the tax exemption agreement shall not affect, alter or amend the Entity's obligation to make payments according to the intervals set forth in Section 304-28 of the Municipal Code and the tax exemption agreement. Should the Entity fail to make timely payments, interest shall begin to accrue at the rate set forth in the tax exemption agreement.

F. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

G. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.

H. This ordinance shall take effect at the time and in the manner provided by law.

I. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore underlining has been omitted.
For purposes of advertising only, new matter is indicated by **bold face** and repealed matter by *italic*.

DJ/he
5/05/15

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐
Not Required ☐

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

Twenty Year Tax Exemption for a Market Rate Residential Condominium to be Constructed by Greenland Realty Urban Renewal LLC An Urban Renewal Entity pursuant to the Long term Tax Exemption Law N.J.S.A. 40A:20-1 et. seq.

Initiator

Department/Division	Mayor's Office	Tax Collector's Office
Name/Title	Marcos Vigil	Deputy Mayor
Phone/email	(201) 547-6542	vigilm@icnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

The applicant, Greenland Realty Urban Renewal LLC, is applying for a twenty (20) year tax abatement under N.J.S.A. 40 A: 20-1 et seq. It will be the renovation of a vacant existing former health care facility into a nineteen (19) unit for sale market rate residential condominium project within the Summit and Fairmount Study Area Redevelopment Plan. The application fee of \$9,500 was paid.

I certify that all the facts presented herein are accurate.

Signature of Department Director

Date

Greenland Realty, LLC

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of condo income
4. Projected construction costs
5. Schedule of ASC over the abatement
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (See #3)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

EXHIBIT 15

DISCLOSURE STATEMENT

NAME OF ENTITY: Greenland Realty Urban Renewal Co., LLC

PRINCIPAL PLACE OF BUSINESS: 390 Broadway, 4th Floor
New York, NY 10013

NAME OF REGISTERED AGENT: Diego Hodara

ADDRESS: 390 Broadway, 4th Floor
New York, NY 10013

<u>NAME</u>	<u>ADDRESS</u>	<u>PERCENTAGE OWNED</u>
Diego Hodara	390 Broadway, 4 th Floor New York, NY 10013	100%

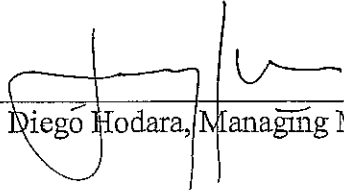
Please find below a list of other properties in which Diego Hodara, the sole owner of Greenland Realty Urban Renewal Co., LLC, has any interest with or without Financial Agreements in the City of Jersey City.

<u>NAME/ENTITY</u>	<u>ADDRESS</u>	<u>PERCENTAGE OWNED</u>
Diego Hodara	72 Storms Avenue	100%
Blue Canyon Realty LLC	276A Grant Avenue	33.34%
Coral Realty LLC	323 Whiton Street	33.34%
Ivy Place, LLC	10 Ivy Place	33.34%

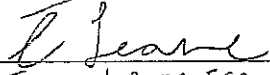
The Applicant certifies that the above represents the names(s) and address(es) of all stock holders or partners of a 10% or greater interest in the above corporation or partnership. The Applicant further certifies that the above represents the properties within the City of Jersey City which he, in his individual capacity or as part of another entity, holds any financial or pecuniary interest. The Applicant, being the developer of the Project, further certifies to the City of Jersey City that all information contained in this Disclosure is true and correct.

[Signature Page to Follow]

Greenland Realty Urban Renewal Co.,
LLC


By: Diego Hodara, Managing Member

Sworn Before me this
1st day of December, 2014


Tom Leane Esq.
Attorney, state of New Jersey

11581885(21519.003)

FISCAL IMPACT COST PROJECTION (MARKET RATE RENTAL UNITS - TIER 3 - 20 YEAR)

Block: 16305 Lot: 6.01 Loc: 136 SUMMIT AVE

Market Rate Rental Units	Number of Units	Demographic Multipliers (Transit Oriented Development)*				Annual Expenditures				Total Annual Expenditures			
		Household		Students		Total Residents		Students		Per Capita Municipal		Per Pupil School District	
1 Bedroom	11	1,421	0.050	15.63	0.55	\$1,163.68	\$3,445.00	\$18,189.51	\$1,894.75	\$20,084.26			
2 Bedroom	8	2,012	0.120	16.10	0.96	\$1,163.68	\$3,445.00	\$18,730.62	\$3,307.20	\$22,037.82			
TOTAL	19			31.73	1.51			\$36,920.12	\$5,201.95	\$42,122.07			

1. Total Municipal Ratables	\$5,916,171,471	4. CY 2014 Budget	\$516,641,147	6. Population of Jersey City (2010 Census)	247,587	9. Increase in Services Incurred Per Development	\$	42,122.07
2. Residential Ratables Commercial Ratables	\$3,299,371,882 \$1,439,637,425			7. Per Capita Municipal Cost	\$1,163.68	10. Anticipated Gross PILOT 1st Year	\$	49,193.00
3. Residential Ratables as a Percentage of Total Ratables	55.77%	5. Residential Portion	\$288,124,048	8. Annual Expenditures Per Student**	\$3,445.00	11. 1st Year Net PILOT	\$	43,742.03
						12. Implied Surplus (Cost)	\$	1,619.96

*Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development; Listokin, November 2006
 **Source: 2014-2015 Jersey City Municipal Cost Per Pupil

EXHIBIT 8

TOTAL ANNUAL GROSS REVENUE COMPUTATION

Unit	Square Footage	Unit Type	Estimated Price ¹	Estimated Prevaling 20-year Mortgage Rate	Monthly Payment	Common Area Payments ²	Yearly Payment	10% Annual Service Charge	2% Administrative Charge	Total to City	5% County Fee
1A/											
BA	843	1 BD	\$275,872.00	3.8%	\$1,624.94	\$351.87	\$23,721.72	\$2,372.17	\$47.44	\$2,419.61	\$118.61
1B/BB	1,177	2 BD	\$350,158.00	3.8%	\$2,085.17	\$491.28	\$30,917.40	\$3,091.74	\$61.83	\$3,153.57	\$154.59
BC	665	1 BD	\$228,926.00	3.8%	\$1,363.24	\$277.57	\$19,689.72	\$1,968.97	\$39.38	\$2,008.35	\$98.45
BD	868	2 BD	\$287,742.00	3.8%	\$1,713.49	\$362.30	\$24,909.48	\$2,490.95	\$49.82	\$2,540.77	\$124.55
BE	871	2 BD	\$288,737.00	3.8%	\$1,719.41	\$363.56	\$24,995.64	\$2,499.56	\$49.99	\$2,549.55	\$124.98
1C	601	1 BD	\$206,894.00	3.8%	\$1,232.04	\$250.86	\$17,794.80	\$1,779.48	\$35.59	\$1,815.07	\$88.97
1D	562	1 BD	\$188,692.00	3.8%	\$1,123.65	\$234.58	\$16,291.44	\$1,629.14	\$32.58	\$1,661.72	\$81.46
1E	733	2 BD	\$236,759.00	3.8%	\$1,409.88	\$305.96	\$20,590.08	\$2,059.01	\$41.18	\$2,100.19	\$102.95
1F	594	1 BD	\$191,862.00	3.8%	\$1,142.53	\$247.94	\$16,685.64	\$1,668.56	\$33.37	\$1,701.93	\$83.43
2A	1,038	2 BD	\$352,920.00	3.8%	\$2,102.62	\$433.26	\$30,430.56	\$3,043.06	\$60.86	\$3,103.92	\$152.15
2B	644	1 BD	\$213,486.00	3.8%	\$1,860.83	\$268.81	\$25,555.68	\$2,555.57	\$51.11	\$2,606.68	\$127.78
2C	600	1 BD	\$209,100.00	3.8%	\$1,245.18	\$250.44	\$17,947.44	\$1,794.74	\$35.89	\$1,830.63	\$89.74
2D	733	2 BD	\$242,990.00	3.8%	\$1,446.99	\$305.96	\$21,035.40	\$2,103.54	\$42.07	\$2,145.61	\$105.18
2E	594	1 BD	\$196,911.00	3.8%	\$1,172.59	\$247.94	\$17,046.36	\$1,704.64	\$34.09	\$1,738.73	\$85.23
3A	1,038	2 BD	\$344,097.00	3.8%	\$2,049.08	\$433.26	\$29,788.08	\$2,978.81	\$59.56	\$3,038.37	\$148.94
3B	644	1 BD	\$216,223.00	3.8%	\$1,287.59	\$268.81	\$18,676.80	\$1,867.68	\$37.35	\$1,905.03	\$93.38
3C	600	1 BD	\$211,650.00	3.8%	\$1,260.36	\$250.44	\$18,129.60	\$1,812.96	\$36.36	\$1,849.32	\$90.65
3D	733	2 BD	\$246,105.00	3.8%	\$1,465.54	\$305.96	\$17,586.48	\$1,758.65	\$35.17	\$1,793.82	\$87.93
3E	627	1 BD	\$210,515.00	3.8%	\$1,253.66	\$261.71	\$18,184.44	\$1,818.44	\$36.37	\$1,854.81	\$90.92
Total	14,165		\$4,699,637.00							\$41,817.68	

¹ Please note that any differences in pricing between similarly sized units is based on market and sales projects which may, among other things, include the size or location of the unit within the condominium.

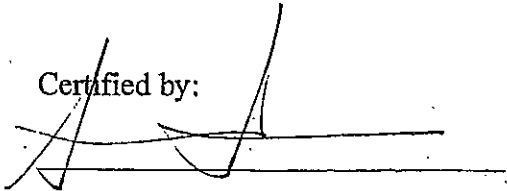
² Please note that the Common Area Payments are calculated based on the total percentage of the unit's square footage as compared to the total square footage of all of the units within the building.

EXHIBIT 6

Estimated Total Project Cost - 40A:20-3(h) as amended

a)	Cost of land and Improvements	Acquisition:	\$465,800
b)	Architect, Engineers and attorney's fees (paid or payable) in connection with the planning, construction and Financing	<u>Planning</u> Architect Engineer Attorney	 \$150,000 \$ 36,900 \$ 40,000
		<u>Construction</u> MEP Structural	 \$19,800 \$10,000
c)	Survey and Testing	Survey	\$6,400
d)	Project construction cost per preliminary contractor bids including site preparation		\$2,500,000
e)	Insurance, Interest and Financing during construction	Insurance Interest Columbia Bank	\$13,321 \$113,130 \$28,000
f)	Cost of obtaining initial permanent financing		\$0
g)	commissions and other expenses payable with the initial lease or sale of units	5% Sales Cost	\$234,982
h)	Real estate taxes during construction		\$10,984.51
i)	Developers overhead based on a percentage of (d) above, to be computed in accordance with percentage given in law 40A:20-3(h)		\$188,333
	TOTAL		\$3,805,660.51

Certified by:


ADAM KUSHNER,
Principal
Kushner Studio

SERVICE CHARGE VS CONVENTIONAL

GREENLAND REALTY UR

*ASSUMING 74.34 TAX RATE WITH 2% ANNUAL INCREASE

NEW ASSESSMENTS BASED ON TAX ASSESSOR ANALYSIS			EXISTING ASSESSMENT	
LAND	113,100	COUNTY	5%	205,100
BLDG	1,297,700	ADMIN	1%	
TOTAL	1,410,800	PROJECTED SERVICE CHARGE (1ST YEAR)		49,198

YEAR	ASC w/ Phase-In Less Land Tax Credit	ASC w/ 2% Annual Increase	ASC w/ 2% Annual Increase & Phase-In	County (5%)	Admin (1%)	Estimated Conventional Taxes On New Assessment	Staged Adj Rate	% of Conv.	Conventional Taxes at 51% (Estimated)	Current Taxes On Existing Assessment	Land Tax
1	40,790	49,198	49,198	2,460	492	104,879			53,488	15,247	8,408
2	41,606	50,182	50,182	2,509	502	106,976			54,558	15,552	8,576
3	42,438	51,186	51,186	2,559	512	109,116			55,649	15,863	8,748
4	43,287	52,209	52,209	2,610	522	111,298			56,762	16,180	8,922
5	44,153	53,253	53,253	2,663	533	113,524			57,897	16,504	9,101
6	45,036	54,319	54,319	2,716	543	115,795			59,055	16,834	9,283
7	45,936	55,405	55,405	2,770	554	118,111	20%	23,622	60,236	17,171	9,469
8	46,855	56,513	56,513	2,826	565	120,473	20%	24,095	61,441	17,514	9,658
9	47,792	57,643	57,643	2,882	576	122,882	20%	24,576	62,670	17,864	9,851
10	48,748	58,796	58,796	2,940	588	125,340	40%	50,136	63,923	18,222	10,048
11	49,723	59,972	59,972	2,999	600	127,847	40%	51,139	65,202	18,586	10,249
12	50,717	61,172	61,172	3,059	612	130,404	40%	52,161	66,506	18,958	10,454
13	69,144	62,395	79,807	3,990	798	133,012	60%	79,807	67,836	19,337	10,663
14	70,527	63,643	81,403	4,070	814	135,672	60%	81,403	69,193	19,724	10,876
15	71,937	64,916	83,031	4,152	830	138,385	60%	83,031	70,577	20,118	11,094
16	73,376	66,214	84,692	4,235	847	141,153	60%	84,692	71,988	20,521	11,316
17	103,639	67,538	115,181	5,759	1,152	143,976	80%	115,181	73,428	20,931	11,542
18	105,712	68,889	117,485	5,874	1,175	146,856	80%	117,485	74,896	21,350	11,773
19	107,826	70,267	119,834	5,992	1,198	149,793	80%	119,834	76,394	21,777	12,008
20	109,982	71,672	122,231	6,112	1,222	152,789	80%	122,231	77,922	22,212	12,249
TOTAL	1,259,223	1,195,382	1,463,512	73,176	14,635	2,548,281		1,029,394	1,299,623	370,465	204,289

ASC phase-in reflects annual 2% increase in conventional taxes AND Gross Rents

GREENLAND REALTY URBAN RENEWAL, LLC
BLOCK 15305 Lot 6.01
136 Summit Ave

Block	Lot	Existing Prorated (subdvi.)	New Assessments	Land Tax	Good Faith ASC	Assessment (Exemption)
15305	6.01	Land	105,100	113,100		
		Bldg	100,000	1,297,700	409,977	1,297,700
		Total	205,100	1,410,800	409,977	1,297,700

**Est. In-Lieu of Full Property Tax Payments An Amount Equal
To A Percentage Of Taxes Otherwise Due On The Land and
Improvement According To The Following Stages:**

	ASC	Yr. Taxes* (Phased-In)
Stage One From the 1st day of the month following substantial completion until the last day of the 6th year, the ASC shall be at 12% of Annual Revenue	8,408 \$	49,197 0
Stage Two Beginning on the 1st day of the 7th year and the last day of the 9th year of substantial completion, an amount equal to the greater of the ASC at 12% or 20% of the amount of taxes otherwise due on the value of the land and improvements;	8,408 \$	49,197 \$ 20,976
Stage Three Beginning on the 1st day of the 10th year and the last day of the 12th year of substantial completion, an amount equal to the greater of the ASC at 12% or 40% of the amount of taxes otherwise due on the value of the land and improvements;	8,408 \$	49,197 \$ 41,952
Stage Four Beginning on the 1st day of the 13th year and the last day of the 16th year of substantial completion, an amount equal to the greater of the ASC at 12% or 60% of the amount of taxes otherwise		

due on the value of the land and improvements; 8,408 \$ 49,197 \$ 62,927

Final Stage Beginning on the 1st day of the 17th year and the last day of the
20th year of substantial completion, an amount equal to the greater
of the ASC at 12% or 80% of the amount of taxes otherwise
due on the value of the land and improvements. 8,408 \$ 49,197 \$ 83,903

5/5/2015 Yearly Land and Improvement Tax \$ 104,879
(Based on 2014 tax rate o \$74.34 & 30.02% Assessment Ratio)

DATE: May 5, 2015
TO: Diana Jeffrey (For distribution to City Council and City Clerk)
FROM: Al Cameron, Fiscal Officer - Tax Collector's Office
SUBJECT: TWENTY YEAR TAX ABATEMENT: MARKET RATE RESIDENTIAL
CONDOMINIUM PROJECT--Greenland Realty Urban Renewal LLC,
136 Summit Avenue - Block 15305 Lot 6.01

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, M. Vigil, G. Corrado

INTRODUCTION:

The applicant, Greenland Realty Urban Renewal LLC, is applying for a twenty (20) year tax abatement under N.J.S.A. 40 A: 20-1 et seq. It will be the renovation of a vacant existing former health care facility into a nineteen (19) unit for sale market rate residential condominium project within the Summit and Fairmount Study Area Redevelopment Plan. The application fee of \$9,500 was paid.

LOCATION OF THE PROPERTY:

The property is located at the on the East side of Summit Avenue at the intersection of Jewett Avenue, known as 136 Summit Avenue it is Block 15305 Lot 6.01. The property to be rehabilitated is the former Fairmount Hospital.

PROPERTY TO BE CONSTRUCTED:

The proposed project will consist of nineteen (19) market rate residential condominium units in the rehabilitated former hospital building. Five (5) exterior on-grade parking spaces will be retained. They will be the only parking spaces for this project. The residential units will consist of the following:

<u>Unit Type</u>	<u>Number of Units</u>
One Bedroom	11
Two Bedroom	8

ESTIMATED TOTAL PROJECT COST:

The cost of construction estimated at \$2,500,000 is certified by Adam Kushner the applicant's architect. Total Project Cost is projected at \$3,805,660.51.

CONSTRUCTION SCHEDULE:

The applicant is prepared to begin construction within six (6) months of approval of the abatement application and completion is expected within eighteen (18) months of commencement.

ESTIMATED JOBS CREATED:

The applicant estimates creation of fifty-nine (59) jobs during Construction and no post-construction jobs. The applicant will execute a Project Employment and Contracting Agreement. However; based upon the estimated construction cost, a Project Labor Agreement is not required.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTIONS:**GREENLAND REALTY URBAN RENEWAL LLC AHTF PAYMENT**

		Rate	Amount
Residential			
Units	19	\$1,500.00	\$28,500.00
Square footage			
Parking	870	\$ 1.50	\$1,305.00
Total AHTF Payment			<u>\$29,805.00</u>

CURRENT REAL ESTATE TAX:

The prorated existing assessment for the land is \$105,100 and the building is \$100,000. At the current tax rate of \$74.34 the total estimated annual existing land and building tax is \$15,842. The new land assessment is \$113,100 and the new building assessment is \$1,297,700. The first Quarter 2015 taxes are paid.

PROPOSED ABATEMENT:

The property is in Tier III of the Jersey City Tiered Tax Exemption Policy Map. The applicant has requested a term of the lesser of twenty-five (25) years from the date of approval of an ordinance approving the abatement or twenty (20) years from substantial completion of the project.

The tier III Tax Abatement Policy provides for a PILOT of a minimum of ten

percent (10%) of Annual gross revenue, a one percent (1%) City administrative fee and a five percent (5%) service charge to Hudson County. A twelve percent (12%) rate is proposed for this abatement.

The proposed staged adjustments would begin the first day of year seven (7). The ASC in years seven (7) through the end of year nine (9) would be the greater of twelve percent (12%) of gross revenue or twenty percent (20%) of conventional taxes. Beginning in year ten (10) through the end of year twelve (12) it would be the greater of twelve percent (12%) of Annual gross revenue, or forty percent (40%) of conventional taxes. Beginning in year thirteen (13) through the end of year sixteen (16) it would be the greater of twelve percent (12%) of Annual gross revenue, or sixty percent (60%) of conventional taxes. Beginning in year seventeen (17) until the end of year twenty (20) it would be the greater of twelve percent (12%) of Annual gross revenue, or eighty percent (80%) of conventional taxes.

The Tax Assessor's phase-in schedule assesses the Land at \$113,100 and the improvements at \$1,297,700 for the completed project. The PILOT would be the greater of the Annual Service Charge (ASC) or the result of the staged adjustments.

PROPOSED REVENUE TO THE CITY:

Once all units are sold the initial estimated Annual Service charge at the rate of twelve percent (12%) is \$49,198. The City Administrative fee at one percent (1%) would be \$ 491.98 and the Hudson County fee of five percent (5%) would be \$2,459.90.

Re: 136 Summit Avenue
Approximately 0.20 Acres
Block 15305, Lot 6.01
Summit & Fairmount Redevelopment Plan

PREAMBLE

THIS FINANCIAL AGREEMENT, [Agreement] is made the ____ day of ____, 2015, by and between **GREENLAND REALTY URBAN RENEWAL CO., LLC**, an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., having its principal office at 390 Broadway, 4th Floor, New York, NY 10013 [Entity], and the **CITY OF JERSEY CITY**, a Municipal Corporation of the State of New Jersey, having its principal office at 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WITNESSETH:

WHEREAS, the Entity is the Owner pursuant to Subdivision in Deed dated December 3, 2014, of certain property designated as Block 15305, Lot 6.01, more commonly known by the street address of 136 Summit Avenue, Jersey City, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

WHEREAS, this property is located within the boundaries of the Summit & Fairmount Redevelopment Plan Area; and

WHEREAS, the Entity plans to rehabilitate a three (3) story building with approximately nineteen (19) market rate residential condominium units and an exterior parking area to contain approximately five (5) on-grade parking spaces; [Project]; and

WHEREAS, on October 7, 2014, the Project received site plan approval from the Planning Board, which was memorialized by way of Resolution on November 18, 2014; and

WHEREAS, on March 17, 2015, the Entity filed an Application with the City for a long term tax exemption for the Project; and

WHEREAS, by the adoption of Ordinance _____ on _____, 2015, the Municipal Council approved a long term tax exemption for the Project and authorized the execution of a Financial Agreement; and

WHEREAS, the City made the following findings:

A. Relative Benefits of the Project when compared to the costs:

1. the current real estate tax generates revenue of only \$15,247, whereas, the Annual Service charge as estimated, will generate revenue to the City of approximately \$49,198;
2. as required by ordinance 13-088, the Entity shall pay the City the sum of \$9,935 on or before the effective date of the ordinance approving the Financial Agreement, and will pay the balance of \$19,870 as an affordable housing contribution as required by the ordinance;
3. it is expected that the Project will create approximately 59 new construction jobs and 0 new permanent full time jobs;
4. the project should stabilize and contribute to the economic growth of existing local business and to the creation of new businesses, which cater to the new occupants;
5. the Project will further the objectives of the Summit & Fairmount Redevelopment Plan Area, and will include the remediation of vacant property;
6. the City's Impact Analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project; and
2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will attract occupants to the Project, insure the likelihood of stabilized rents to tenants and the success of the Project; and
3. have a positive impact on the surrounding area.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., Executive Order of the Mayor 13-004, Disclosure of Lobbyist Status, Ordinance 02-075, and Ordinance _____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

Section 1.2 General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

- i. Allowable Net Profit- The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).
- ii. Allowable Profit Rate - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.
- iii. Annual Gross Revenue - Any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, or as user fees or for any other services. No deductions will be allowed for operating or maintenance

costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party.

Annual Gross Revenue for Condominium - The amount equal to the annual aggregate constant payments of principal and interest, assuming a purchase money mortgage encumbering the condominium unit to have been in an original amount equal to the initial value of the unit with its appurtenant interest in the common elements as stated in the master deed, if unsold by the urban renewal entity, or, if the unit is held by a unit purchaser, from time to time, the most recent true consideration paid for a deed to the condominium unit in a bona fide arm's length sale transaction, but not less than the initial assessed valuation of the condominium unit assessed at 100% of the true value, plus the total amount of common expenses charged to the unit pursuant to the by laws of the condominium association. The constant payments to principal and interest shall be calculated by assuming a loan amount as stated above at the prevailing lawful interest rate for mortgage financing on comparable properties within the municipality as of the date of the recording of the unit deed, for a term equal to the full term of the exemption from taxation stipulated in this Agreement; and provided further that any gain realized by the Entity on the sale of any unit in fee simple, whether or not taxable under Federal or State law, shall not be included in computing gross revenue.

iv. Annual Service Charge - The amount the Entity has agreed to pay the City each year for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, pursuant to N.J.S.A. 40A:20-12. It shall include a payment for all annual excess profit.

v. Auditor's Report - A complete annual financial statement outlining the financial status of the Project, which shall also include a certification of Total Project Cost and clear computation of the annual Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is

licensed to practice that profession in the State of New Jersey.

vi. Certificate of Occupancy - A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A. 52:27D-133.

vii. Debt Service - The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the Project for a period equal to the term of this Agreement.

viii. Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

ix. Entity - The term Entity within this Agreement shall mean Greenland Realty Urban Renewal Co., LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

x. Improvements or Project - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

xi. In Rem Tax Foreclosure or Tax Foreclosure - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

xii. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge.

xiii. Land Tax Payments - Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

xiv. Law - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 13-004, relating to long term tax exemption, as it may be supplemented; Ordinance 02-075 requiring Disclosure of Lobbyist Status and Ordinance _____, which authorized the execution of this Agreement and

all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xv. Minimum Annual Service Charge - The Minimum Annual Service Charge shall be the greater of: (a) the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation, which amount the parties agree is \$15,247; or (b) the sum of \$49,198 per year, which sum is equal to the estimated Annual Service Charge will be due 12 months following Substantial Completion of the Project [Minimum Annual Service Charge for condominium is based on initial assessed value].

Following Substantial Completion, the Minimum Annual Service Charge set forth in subsection (b) shall be paid in each year in which the Annual Service Charge, calculated pursuant to N.J.S.A. 40A:20-12 or this Agreement, would be less than the Minimum Annual Service Charge.

xvi. Net Profit - The Annual Gross Revenues of the Entity less all annual operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all Annual Service charges paid pursuant to N.J.S.A. 40A:20-12; (b) all annual payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or

officers, partners or other persons holding a proprietary ownership interest in the entity.

xvii. Pronouns - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

xviii. Substantial Completion - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the first date on which the Project receives, or is eligible to receive, any Certificate of Occupancy whether temporary or permanent for any portion of the Project.

xix. Termination - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

xx. Total Project Cost - The total cost of constructing the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included in Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. If the Service Charge is a percentage of Total Project Cost, then the Entity agrees that final Total Project Cost shall not be less than its estimated Total Project Cost.

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 15305, Lot 6.01, more commonly known by the street address 136 Summit Avenue, Jersey City, and described by metes and bounds in Exhibit 1 attached hereto.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law;

has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

Entity represents that it will renovate and rehabilitate an existing vacant former hospital building into a three (3) story building with approximately nineteen (19) market rate residential condominium units and a front-in parking area to contain approximately five (5) parking spaces; all of which is specifically described in the Application attached hereto as Exhibit 3.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5, and in compliance with any Redevelopment Agreement.

Section 2.5 Ownership, Management and Control

The Entity represents that it is the owner of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be used, managed and controlled for the purposes set forth in this Agreement and any Redevelopment Agreement.

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth a good faith estimate of Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Good Faith Estimate of Initial Rents [or Sales Prices]

The Entity represents that its good faith projections of the initial [sale prices or rents] and other revenue to the Project are set forth in Exhibit 7.

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of 25 years

from the date of the adoption of Ordinance _____ on _____, 2015, which approved the tax exemption or 20 years from the original date of Substantial Completion of the Project or _____ 20 _____. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation or association formed and operating under the Law.

ARTICLE IV - ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge

In consideration of the tax exemption, the Entity shall make the following annual payments to the City for services provided to the Project:

i. City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 10% of the Annual Gross Revenue. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

ii. County Service Charge: an amount equal to 5% of the Municipal Annual Service Charge shall be paid to the City and remitted by the City to the County.

iii. The Minimum Annual Service Charge pursuant to Section 1.2xv(a) shall be due beginning on the effective date of this Agreement. The Minimum Annual Service Charge pursuant to Section 1.2xv(b) shall be due 12 months following Substantial Completion of the Project. The City Service Charge and the County Annual Service Charge shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Staged Adjustments

The Annual Service Charge shall be adjusted, in Stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

i. Stage One: From the 1st day of the month following Substantial Completion until the last day of the 6th year, the Annual Service Charge shall be 10% of Annual Gross Revenue;

ii. Stage Two: Beginning on the 1st day of the 7th year following Substantial

Completion until the last day of the 9th year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the assessed value of the land and Improvements;

iii. Stage Three: Beginning on the 1st day of the 10th year following the Substantial Completion until the last day of the 13th year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the assessed value of the land and Improvements;

iv. Stage Four: Beginning on the 1st day of the 14th year following Substantial Completion until the last day of the 16th year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the assessed value of the land and Improvements;

v. Final Stage: Beginning on the 1st day of the 17th year following Substantial Completion through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due on the assessed value of the land and Improvements.

Section 4.3 Land Tax

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credit against the Annual Service Charge. No credit will be applied against the Annual Service Charge for a partial payment of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4 Quarterly Installments / Interest

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge or any other charge due under this agreement, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid in full.

Section 4.5 Administrative Fee

The Entity shall also pay an annual Administrative Fee to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as one (1%) percent of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge.

Section 4.6 Affordable Housing Contribution and Remedies

A. **Contribution.** The Entity will pay the City the sum of \$29,805 or \$1,500 per unit and \$1.50 per square foot of parking as a contribution. The sum shall be due and payable as follows:

- i. 1/3 on or before the effective adoption date of the Ordinance approving the tax exemption;
- ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Financial Agreement; and
- iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Financial Agreement.

Section 4.7 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including Annual Net Profits and any adjustments thereto, Administrative Fees, Affordable Housing Contributions, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Section 5.1 Project Employment and Contracting Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8.

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with the proposed construction schedule attached hereto as Exhibit 5. The failure to secure the Certificates of Occupancy shall subject the Property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Section 6.3 Construction Permits

The estimated cost basis disclosed by the Entity's application and proposed Financial Agreement may, at the option of the City, be used as the basis for the construction cost in the issuance of any construction permit for the Project.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar

year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to gross revenue, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year, the excess of which shall be paid to the City each year an excess profit is generated.

B. Total Project Cost Audit: Within ninety (90) days after Substantial Completion of the Project, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, including but not limited to an audit of actual construction costs as certified by the Project architect.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time. All disclosures shall include ownership interests of the individual persons owning any corporate interest in the Entity.

Section 7.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City or the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity for any year during which the tax exemption financial agreement was in full force

and effect.

All costs incurred by the City to conduct a review of the Entity's audits, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the Excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year's Gross Revenue.

Section 8.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in each year, exceeds the Allowable Net Profits for such year, then the Entity, within one hundred and twenty (120) days after the end of the year, shall pay such excess Net Profits to the City as an additional annual service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity's Excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xx) of this Agreement even though those costs may have been deducted from the project costs for purposes of calculating the annual service charge.

Section 8.3 Payment of Reserve/ Excess Net Profit Upon Termination, Expiration or Sale

The date of termination, expiration or sale shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the balance of the Excess Net Profit, if any.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Approval of Sale

Any sale or transfer of the Project, shall be void unless approved in advance by Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity does not own any other Project subject to long term tax exemption at the time of transfer; 2) the new Entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement are fully assumed by the new Entity; 5) the Entity pays in full the maximum transfer fee, 2% of the Annual Service Charge, as permitted by N.J.S.A. 40A:20-10(d); and 6) as to projects that are not Substantially Complete, the Entity is comprised of principals possessing substantially the same or better financial qualifications and credit worthiness as the Entity.

Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 10%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement.

Section 9.2 Transfer Application Fee

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

Section 10.2 Disclosure of Lobbyist Representative

During the term of this Agreement, the Entity must comply with Executive Order 2002-005, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have thirty (30) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such thirty (30) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.7, or a sale of the Project occurs without the consent of the City, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow

the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. In order to secure the full and timely payment of the Annual Service Charge, the City on its own behalf, or on behalf of the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action against the Project Area in accordance with Applicable Law, as more fully set forth in this Financial Agreement.

In addition, the City may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, or the Annual Service Charges shall not be subject to the default procedural remedies as provided herein, but shall allow the City to proceed immediately to terminate the Agreement as provided herein. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear or is applied directly, or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is

pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

Section 12.2 Voluntary Termination by the Entity

The Entity may notify the City that it will relinquish its status as a tax exempt Project, after the expiration of one year from the Substantial Completion of the Project , as of the January 1st of the year next ensuing. The Notice of Voluntary Termination must be received by the City no later than October 1st of the tax year preceding the calendar year in which the termination is to occur. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate. However, under no circumstances will the Entity be entitled to any refund, in whole or in part, of any funds paid to the City to obtain the tax exemption, including but not limited to the Affordable Housing Contribution. In addition, the due date for all Affordable Housing Contribution and any other fees that the Entity agreed to pay under this Agreement, shall be accelerated so that all fees to be paid shall be due on January 1st as a condition precedent of the voluntary termination.

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any remaining excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable

property in the City.

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law. In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne by the Entity. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Section 4.7 as Material Conditions.

Section 13.2 Appeal of Assessment

In calculating the amount of the Staged Adjustments that is, taxes otherwise due, pursuant to Section 4.2 and N.J.S.A. 40A:20-12, either party may file an appeal of the conventional assessment to determine the value of land and improvements.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit the City's right to audit or recover any amount which the City has under law, in equity, or under any provision of this Agreement.

ARTICLE XV - INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action by a third party alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify

and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs), arising out of this Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

Section 16.2 Sent by City

When sent by the City to the Entity the notice shall be addressed to:

Greenland Realty Urban Renewal Co., LLC
390 Broadway, 4th Floor
New York, NY 10013

and

Genova Burns, LLC
30 Montgomery Street, 15th Floor
Jersey City, NJ 07302
Attn: Eugene T. Paolino, Esq.

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

Section 16.3 Sent by Entity

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector

unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 18.3 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

Section 18.4 Entire Document

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 18.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

ARTICLE XIX - EXHIBITS

Section 19 Exhibits

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Good Faith Estimate of Initial Sales Prices;
8. Project Employment and Contracting Agreement;
9. Architect's Certification of Actual Construction Costs.
10. Entity's Deed.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:

GREENLAND REALTY URBAN RENEWAL CO., LLC

ATTEST:

CITY OF JERSEY CITY

ROBERT BYRNE
CITY CLERK

ROBERT KAKOLESKI
BUSINESS ADMINISTRATOR

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made as of the ____ day of _____, 2015, between the **CITY OF JERSEY CITY** [City] having its principal office at 280 Grove Street, Jersey City, NJ 07302, and **GREENLAND REALTY URBAN RENEWAL CO., LLC** [Recipient], having its principal office at 390 Broadway, 4th Floor, New York, NY 10013.

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into an agreement with the City to implement, in whole or in part, this agreement.
2. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
3. Construction Contract means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway or other improvement on a Project Site.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 280 Grove Street. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or tax exemption for a property or project which requires approval of the Municipal Council.
6. "Employment" includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. Jersey City Employment and Training Corporation or "JCEPT" means the non-profit quasi public Entity with whom the City has an operating agreement to undertake certain employment services.
8. "Local Business" means a bona fide business located in Jersey City.
9. "Minority" means a person who is defined as such under federal or state law.

10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
11. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor and Workforce Development, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
12. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
13. "Project or Project Site" means the specific work location or locations specified in the contract.
14. The "Project Employment & Contracting Coordinator" or "Coordinator" is the employee in the Department of Administration presently, the Executive Director of the Jersey City Employment & Training Program, Inc., who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Coordinator. The Coordinator may refer a developer to the JCEPT or its one-stop career center so long as the City and JCEPT agreement is in full force and effect.
15. The "Project Employment & Contracting Monitor" or "Monitor" is the employee in the Department of Administration who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting administration as stipulated by this agreement.
16. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.
17. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.
18. "The Registry" or "Jersey City Employment Registry" means a data base maintained by the City or its designee, of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
19. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
20. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.

21. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

II. Purpose: Construction Jobs, Business Contracting, Permanent Jobs

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

Because this project is not subject to the terms of a Project Labor Agreement during construction, this agreement shall apply to all Construction Jobs, Business Contracts and non-construction Permanent Jobs. Recipients are also required to notify any commercial tenants of employment services available from the City.

III. Recipient Designee:

The Recipient shall designate a principal officer of its firm to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient shall send a letter designating its "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix 1. This Officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Appendix 2.

IV. Term:

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance _____, approving the tax exemption and terminate the earlier of 25 years from the date of the adoption of that Ordinance or 20 years from the date of Substantial Completion of the Project.

V. Good Faith Goals:

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient shall only be required to submit the periodic certified manning and certified payroll reports described below to confirm ongoing compliance. All other Recipients must comply with the following Good Faith goals.

1. **Employment (Construction and Permanent Jobs):** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.
2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

VI. Good Faith Defined. Construction Jobs:

1. **Construction Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, each Contractor /Subcontractor shall prepare an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked by City residents, including a list of the number of minority residents and women residents that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Appendix B is the Recipient's Initial Manning Report.
- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept said Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Appendix C.

B. Developer's Contracting Obligations

- i) Once the developer submits the project's initial manning report, he/she must forward a letter with requests for quotation or bid to Mayor Steven M. Fulop's Business Cooperative Program for local and minority vendors for any

construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.

- ii) The developer shall make a good faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Mayor Steven M. Fulop's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using Its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting agreement. This compliance statement is detailed in Appendix F. A copy of the signed compliance statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the contractor or subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked by City residents, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residence, gender and ethnic/racial origin of each worker, work hours and rate of pay and benefits provided. The Certified Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

VII. Good Faith Defined. Permanent Jobs:

1. **Permanent Jobs:** Good Faith shall mean compliance with all of the following conditions:

- A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will meet with the Coordinator, including the director of JCETP to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:
 - i) whether subcontractors will be used in the hiring process.
 - ii) the specific types of jobs that need to be filled.
 - iii) the qualifications needed for these particular jobs.
 - iv) possible training programs offered by the permanent employer.
 - v) the Recipient's goals and how it plans to meet these goals.
 - vi) any other issues which need to be addressed.

- B. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix 3.
- C. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 1.A.(i)-(vi) and notify the City.
- D. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors.
- E. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix 4.
- F. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
- G. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.
- H. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
- I. Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this

report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

- J. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
- K. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
- L. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
- M. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

VIII. Good Faith Defined. Business Contracts

A. Good Faith shall mean compliance with all of the following conditions:

i) Solicitation of Businesses:

- a) One month before the solicitation for any goods or services, the Recipient must forward a letter with a description of the goods or services to the Project Employment and Contracting Coordinator;
- b) The Recipient shall provide the City with a written Purchasing Report every month. The form of this report shall be in substantially the form found in Appendix 6.
- c) Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
- d) Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.

- e) Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
 - f) Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.
 - g) Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
 - h) Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
 - i) Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
 - j) Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.
- B. The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by Project Employment and Contracting Monitor of a Recipient, using the masthead of a local or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

IX. Good Faith Defined. Commercial Tenants at the Project Site

Good Faith shall mean compliance with all of the following conditions:

- A. The Recipient shall send all tenants of commercial space, including retail space, within the Project Site a Tenant Employment Services Guide in the form attached as Appendix 7.
- B. The Recipient shall require tenants of commercial, including any retail space to complete an annual questionnaire concerning the composition of the work force of each tenant. The completed questionnaire be submitted to the Project Employment & Contracting Monitor. The questionnaire shall be in the form attached as Appendix 8.
- C. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than December 1st of each year.

X. Notices of Violation:

- 1. Advisory Notice: The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have 7 days to correct the violation.
- 2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City the City shall issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation.
- 3. Correcting the Violation: Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
- 4. Extension of Time to Correction: Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.

If the City determines that the Recipient is in violation after the expiration of the cure periods, the Recipient agrees that the City shall be entitled to the liquidated damages provided below.

XI. Liquidated Damages:

- 1. While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration

of any cure period, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- A. Failure to file Initial Manning Report (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracts): an amount equal to Five percent (5%) increase in the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- B. Failure to conduct Pre-hiring Interviews or submit Compliance Statement (Submit description of goods or services, (Business Contracting): an amount equal to Three (3%) percent of the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- B. Failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Three (3%) percent increase service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- C. The use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Ten (10%) service charge as set forth in the Financial Agreement for each quarter or part thereof, the Recipient is non compliant.

XII. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

Greenland Realty Urban Renewal Co., LLC
390 Broadway – 4th Floor
New York, NY 10013
Att:

and

2. When sent by the Recipient to the City, it shall be addressed to:

City of Jersey City
Department of Administration
Division of Economic Opportunity
Project Employment & Contracting Monitor
280 Grove Street
Jersey City, New Jersey 07302
Att: Division Director

and

Director of Jersey City Employment and Training Program, Inc
895 Bergen Avenue—2nd Floor
Jersey City, NJ 07306
Att: Executive Director

with separate copies to the Mayor and the Business Administrator.

XIII. Appendix

These forms are examples only and shall be in substantially the form on file in the Division of Economic Opportunity, subject to modifications from time to time by the City as necessary or appropriate.

1. Letter designating Recipient's Project Employment & Contracting Officer
2. Letter from Recipient to Employees of Recipient's Company
3. Acknowledgment of PECA compliance of Subcontractor
4. Example of Hiring Plan
5. Example of Monthly Employment Report
6. Example of Monthly Purchasing Report
7. Tenant Employment Services Guide
8. Commercial Retail Annual Questionnaire

XIV. Adoption, Approval, Modification:

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

XII. Controlling Regulations and Laws:

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

In the event there are any conflicts between this Agreement and any Project Labor Agreement, then as it pertains to construction jobs covered by the PLA, the Project Labor Agreement shall govern. Wherever possible, this Agreement shall be interpreted consistently with the Project Labor Agreement.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

Robert J. Kakoleski
Business Administrator

WITNESS:

GREENLAND REALTY URBAN
RENEWAL CO., LLC

Secretary

President

City Clerk File No. Ord. 15.073

Agenda No. 3.M 1st Reading

Agenda No. 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.073

TITLE: ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A CONDOMINIUM UNIT TWO IN A MARKET RATE MIXED USE RENTAL PROJECT TO BE CONSTRUCTED BY DEVI MA NEWKIRK URBAN RENEWAL, LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 60-62 NEWKIRK STREET

THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:

WHEREAS, Devi Ma Newkirk Urban Renewal, LLC, is an urban renewal entity, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, N.J.S.A. 40A:20-1 et seq. (Entity); and

WHEREAS, the Entity is the owner of certain property known as Block 10802, Lot 36, on the City's Official Tax map, and more commonly known by the street address of 60-62 Newkirk Street, and more specifically described by metes and bounds, in the application (Property); and

WHEREAS, the Property is located within the Journal Square 2060 Redevelopment Plan Area, as required by N.J.S.A. 40A:20-4 and N.J.S.A. 40A:12A-5(g); and

WHEREAS, the Property currently consists of a three (3) story, six (6) unit residential structure (Existing Structure), which shall remain on the Property and be designated as Condo Unit One; and

WHEREAS, Condo Unit One shall continue to pay conventional taxes; and

WHEREAS, the proposed Improvements and the subject of this tax exemption application shall be designated as Condo Unit Two; and

WHEREAS, the Master Deed creating the condominium shall be recorded prior to the execution of the Financial Agreement, otherwise the tax exemption shall terminate and the within Ordinance shall be null and void; and

WHEREAS, the Entity shall only receive a credit for land taxes paid for the limited or common elements that are in proportion to the land taxes attributable to the new Improvements; and

WHEREAS, by an application submitted on March 5, 2015, the Entity applied for a 30 Year long term tax exemption to construct a new residential rental project, on or adjoining the Existing Structure, to consist of a new five (5) story building with fourteen (14) new market rate residential rental units (Project); and

WHEREAS, the Project received Preliminary and Final Site Plan approval from the Planning Board on May 13, 2014; and

ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A CONDOMINIUM UNIT TWO IN A MARKET RATE MIXED USE RENTAL PROJECT TO BE CONSTRUCTED BY DEVI MA NEWKIRK URBAN RENEWAL, LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 60-62 NEWKIRK STREET

WHEREAS, estimated construction costs are \$628,000; and

WHEREAS, Devi Ma Newkirk Urban Renewal, LLC, has agreed to:

1. pay the greater of (i) the Minimum Annual Service Charge or the prorated amount of \$6,311, which is the portion of land taxes attributable to Condo Unit Tow until Substantial Completion; or (ii) 14% of the Annual Gross Revenue, which sum is initially estimated to be \$28,560; and which shall be subject to statutory staged increases over the term of the tax exemption; and
2. pay an annual sum equal to 0.5% of each prior year's Annual Service Charge as an Administrative Fee initially estimated at \$143; and
3. provide employment and other economic opportunities for City residents and businesses; and
4. pay to the City, for remittance to Hudson County, an additional amount equal to 5% of the Annual Service Charge estimated to be \$1,428; and
5. pay the sum of \$21,000 to the City's Affordable Housing Trust Fund;
6. execute a Project Employment & Contracting Agreement and under Section 304-33 of the Jersey City Municipal Code; and

WHEREAS, the City hereby determines that the relative benefits of the project outweigh the cost of the tax exemption, for the following reasons:

1. the current real estate taxes generate revenue of only \$6,311, whereas, the Annual Service Charge as estimated, will generate revenue of more than \$28,560 to the City and an additional sum of approximately \$1,428 to Hudson County;
2. the Project will create approximately 8 jobs during construction and 2 new permanent jobs;
3. the Project will stabilize and contribute to the economic growth of businesses in the surrounding area;
4. the Project will further the overall redevelopment objectives of the Journal Square 2060 Redevelopment Plan;
5. the City's impact analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; and

WHEREAS, the City hereby determines that the tax exemption is important in obtaining development of the project and influencing the locational decisions of probable occupants for the following reasons:

1. the relative stability and predictability of the Annual Service Charges will make the Project more attractive to investors needed to finance the Project;
2. the relative stability and predictability of the Annual Service Charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will attract tenants to the Project and insure the likelihood of the success of the Project; and

ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A CONDOMINIUM UNIT TWO IN A MARKET RATE MIXED USE RENTAL PROJECT TO BE CONSTRUCTED BY DEVI MA NEWKIRK URBAN RENEWAL, LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 60-62 NEWKIRK STREET

WHEREAS, Devi Ma Newkirk Urban Renewal, LLC, has initially complied with Executive Order 2002-005 concerning "Disclosure of Lobbyist Representative Status" by filing an appropriate letter in the Office of the City Clerk.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that:

A. The application of Devi Ma Newkirk Urban Renewal, LLC, an urban renewal company, formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, as amended and supplemented, N.J.S.A. 40A:20-1 et seq. a copy of which is on file in the office of the City Clerk, for Condo Unit Two within Block 10802, Lot 36, more commonly known by the existing street address of 60-62 Newkirk, more specifically described by metes and bounds in the application and subject to the recordation of a Master Deed no later than the date of execution of the Financial Agreement, is hereby approved.

B. The Mayor or Business Administrator is hereby authorized to execute a tax exemption Financial Agreement. The Financial Agreement shall include at a minimum the following terms and conditions:

1. Term: the earlier of 35 years from the adoption of the within Ordinance or 30 years from the date the project is Substantially Complete;
2. Annual Service Charge: each year the greater of:
 - (a) the Minimum Annual Service Charge equal to \$6,311 upon Project Completion, whether or not the Project is occupied; or
 - (b) 14% of the Annual Gross Revenue, which initial sum is estimated to be \$28,560, and which sum shall be subject to statutory increases during the term of the tax exemption.
3. Administrative Fee: 0.5% of the prior year's Annual Service Charge estimated to be \$143;
4. County Payment: 5% of the Annual Service Charge to the City for remittance by the City to Hudson County estimated to be \$1,428;
5. Project: Construction of a mixed use residential rental project designated as Condo Unit One, to consist of a new five (5) story building with fourteen (14) market rate residential rental units. There is an existing three (3) story, six (6) unit residential structure that will remain on the Property and be designated as Condo Unit One, and shall continue to pay conventional taxes;
6. Affordable Housing Trust Fund: \$1,500 per unit or \$21,000. Such funds are non-refundable and non-assignable in the event of a termination or sale and assignment of the Financial Agreement;
7. Staged Adjustments:
 - (a) Stage One: years 1-9;
 - (b) Stage Two: years 10-13;
 - (c) Stage Three: years 14-17;

ORDINANCE APPROVING A 30 YEAR TAX EXEMPTION FOR A CONDOMINIUM UNIT TWO IN A MARKET RATE MIXED USE RENTAL PROJECT TO BE CONSTRUCTED BY DEVI MA NEWKIRK URBAN RENEWAL, LLC, AN URBAN RENEWAL ENTITY, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW N.J.S.A. 40A:20-1 ET SEQ., ON THE CITY'S TAX MAP AND MORE COMMONLY KNOWN BY THE STREET ADDRESS OF 60-62 NEWKIRK STREET

- (d) Stage Four: years 18-21;
 - (e) Final Stage: Beginning on the 1st day of the 22nd year through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due.
8. Execution of a Project Employment and Contracting Agreement;
 9. Compliance with the Living Wage Ordinance, Section 3-76 of the Jersey City Municipal Code.
 14. This Ordinance will sunset and the Tax Exemption will terminate unless construction of the Project is: 1) commenced within eighteen (18) months of the date of adoption of the within Ordinance; 2) Substantially Complete within two (2) years of the adoption of the within Ordinance.
- C. The applicant shall execute the tax exemption Tax Agreement within ninety (90) days of the date of adoption of the herein Ordinance. Failure to comply shall result in the Ordinance being repealed and the tax exemption rescinded, unless otherwise extended by the City at its sole discretion.
- D. The City Clerk shall deliver a certified copy of the Ordinance and Financial Agreement to the Tax Assessor and Director of the Division of Local Government Services.
- E. The application is on file with the office of the City Clerk. The Financial Agreement and Project Employment and Contracting Agreement shall be in substantially the form on file in the Office of the City Clerk, subject to such modification as the Business Administrator or Corporation Counsel deems appropriate or necessary.
- F. The actual date of execution of the tax exemption agreement shall not affect, alter or amend the Entity's obligation to make payments according to the intervals set forth in Section 304-28 of the Municipal Code and the tax exemption agreement. Should the Entity fail to make timely payments, interest shall begin to accrue at the rate set forth in the tax exemption agreement.
- G. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- H. This ordinance shall be part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- I. This ordinance shall take effect at the time and in the manner provided by law.
- J. The City Clerk and Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

NOTE: All material is new; therefore underlining has been omitted. For purposes of advertising only, new matter is indicated by bold face and repealed matter by *italic*.

DJ/he
5/05/15

APPROVED AS TO LEGAL FORM

APPROVED: _____

Corporation Counsel

APPROVED: _____
Business Administrator

Certification Required ☐
Not Required ☐

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

Thirty Year Tax Exemption for a Market Rate Residential Rental Project to be Constructed by Devi Ma Newkirk Urban Renewal LLC An Urban Renewal Entity pursuant to the Long term Tax Exemption Law N.J.S.A. 40A:20-1 et. seq. Designated as Block 10802 Lot 36 on the City's Tax Map and known as 60-62Newkirk Street.

Initiator

Department/Division	Mayor's Office	
Name/Title	Marcos Vigil	
Phone/email	(201) 547-5200	mvigil@icnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

The applicant, Devi Ma Newkirk Urban Renewal LLC, is applying for a thirty (30) year tax abatement under N.J.S.A. 40 A: 20-1 et seq. It will be a five (5) story, fourteen unit market rate rental project within the Journal Square 2060 Redevelopment Plan area. The proposed project is located in Tier IV on the Jersey City Tax Exemption Policy Map. The application fee of \$9,500 was paid. .

I certify that all the facts presented herein are accurate.

Signature of Department Director

Date

Devi Ma Newkirk, LLC

1. Ownership disclosure certification
2. Fiscal Impact Cost Projection
3. Good Faith estimate of rental income/condo
4. Projected construction costs
5. Schedule of ASC over the abatement
6. Tax Assessor spreadsheet
7. Projection of sales price for condos (n/a)
8. Memorandum from Al Cameron to the Law Department
9. Financial Agreement (attached to the Ordinance)

EXHIBIT K

OWNERSHIP DISCLOSURE STATEMENT

NAME OF ENTITY: Devi Ma Newkirk Urban Renewal, LLC
NAME OF PROJECT: 60-62 Newkirk Street
Jersey City, NJ
Block 10802, Lot 36

PRINCIPAL OFFICE: 2449 Kennedy Boulevard
Jersey City, NJ 07304

NAME OF REGISTERED AGENT: Sachin Gupta
ADDRESS: 2449 Kennedy Blvd
Jersey City, NJ 07304

I CERTIFY THAT THE FOLLOWING LIST REPRESENTS THE NAMES OF ALL MEMBERS OWNING A 10% OR GREATER INTEREST IN THE ABOVE ENTITY (IF ONE OR MORE OF THE BELOW NAMED IS ITSELF AND ENTITY, THE NAMES OF ANY ENTITY OWING A 10% OR GREATER INTEREST THEREIN IS ALSO IDENTIFIED)

NAME	ADDRESS	PERCENT OWNED
Sachin Gupta	2449 Kennedy Blvd Jersey City, NJ 07304	100%

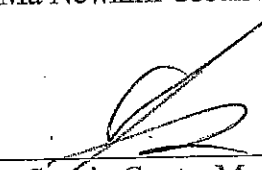
The only other property Sachin Gupta is an owner of in Jersey City is the following:

NAME	ADDRESS	PERCENT OWNED
Laxmi Ma First, LLC	222 First Street Jersey City, NJ 07302	50% owner of LLC

I FURTHER CERTIFY THAT THE FOREGOING STATEMENTS MADE BY ME ARE TRUE.
I AM AWARE THAT IF ANY OF THE FOREGOING STATEMENTS MADE BY ME ARE
WILLFULLY FALSE, I AM SUBJECT TO PUNISHMENT.

Dated: March 5, 2015

Devi Ma Newkirk Urban Renewal, LLC

By: 
Name: Sachin Gupta, Managing Member

FISCAL IMPACT COST PROJECTION (MARKET RATE RENTAL UNITS - TIER 4 - 30 YEAR)

Block: 10802 Lot: 36 Loc: 60-62 NEWKIRK STREET

Market Rate Rental Units	Demographic Multipliers (Transit Oriented Development)*												Annual Expenditures	Total Annual Expenditures
	Number of Units	Household	Students	Residents	Students	Per Capita Municipal	Per Pupil School District	Municipal	School District	Total				
Planned Development	4	1,000	0.000	4.00	0.00	\$1,163.68	\$3,445.00	\$4,654.73	\$0.00	\$4,654.73				
Studio	10	1,421	0.050	14.21	0.50	\$1,163.68	\$3,445.00	\$16,535.91	\$1,722.50	\$18,258.41				
1 Bedroom	14			18.21	0.50			\$21,190.64	\$1,722.50	\$22,913.14				
TOTAL														
1. Total Municipal Ratables		\$5,916,171,471	4. CY 2014 Budget		\$516,641,147	6. Population of Jersey City (2010 Census)		247,597	9. Increase in Services Incurred Per Development		\$	22,913.14		
2. Residential Ratables Commercial Ratables		\$3,299,371,882 \$1,439,637,425				7. Per Capita Municipal Cost		\$1,163.68	10. Anticipated Gross PILOT 1st Year		14% AGR \$ 0.5% Admin \$ 5% County \$ Land Tax (74.34)	28,560.00 1,428.00 1,428.00 (6,311.47)		
3. Residential Ratables as a Percentage of Total Ratables		55.77%	5. Residential Portion		\$288,124,048	8. Annual Expenditures Per Student**		\$3,445.00	11. 1st Year Net PILOT		\$	23,819.33		
Classic Average costing approach for projecting the impact of population change and local Municipal and School District costs											12. Implied Surplus (Cost)	\$	906.19	

*Source: New Jersey Demographic Multipliers: Profile of the Occupants of Residential and Nonresidential Development, Listokin, November 2005
 **Source: 2014-2015 Jersey City Municipal Cost Per Pupil

EXHIBIT C

Description of Leases and Good Faith Estimate of Initial Rents

<u>Residential Units</u>	<u>Units</u>	<u>Est. Rent</u>	<u>Rents</u>
1 Bedroom/ 1 Bath	10	1,300	13,000
Studio/ 1 Bath	4	1,000	4,000
Existing 6 Family	6		n/a
			17,000
			Monthly

It is anticipated that these will be month-to-month or one year residential leases.

EXHIBIT D
Annual Gross Revenue Computation

<u>Residential Units</u>	<u>Units</u>	<u>Avg Sft</u>	<u>Est. Rents</u>	<u>Rents</u>	
1 Bedroom/ 1 Bath	10	650	1,300	13,000	
Studio/ 1 Bath	4	525	1,000	4,000	
Existing 6 Family			n/a	n/a	
	14			17,000	Monthly
			(17,000 x 12)=	204,000	Yearly Income
				10,200	Vacancy 5%
				20,400	Taxes, 10%
				10,200	Mgmt Fee 5%
				16,000	Water-Sewer
				3,000	Common Electric
				13,400	Repairs-Maintenance
				12,500	Insurance
				53,100	Debt Service
				138,800	Yearly Expenses
				\$ 65,201	Net Income
Annual Service Charge (10% of Yearly Income)				20,400	
Administrative Charge (0.5% of Annual Service Charge)				102	

(4.25% of 1,249,400)

EXHIBIT E

Certified Estimate of Project Construction Cost

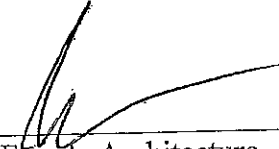
The Estimated Cost per N.J.S.A. 40:21-3(j) is as follows:
"Cost" per Definition: *

Direct Labor & Materials (includes Contractor's Fees)	\$ 600,000
Architectural	\$ 28,000
Engineering	\$0
Estimated Cost:	\$ 628,000

*Pursuant to N.J.S.A. 40A:21-3(j), estimated "cost" does not include land costs, soft costs (other than architectural and engineering costs), and financing costs. This estimated "cost" differs from the total project cost calculation required under the Long Term Tax Exemption Law, pursuant to N.J.S.A. 40A:20-3(h).

CERTIFICATION

On this 9th day of March, 2015, the undersigned being the architect for the Project to be developed by Devi Ma Newkirk Urban Renewal, LLC, does hereby certify to the best of my knowledge and belief that Exhibit C accurately reflects the estimated actual construction costs of the Project proposed on Block 10802 , Lot 36, more commonly referred to as 60-62 Newkirk Street, Jersey City, New Jersey.

By: 
Name: Façade Architecture
Michio Sanga, R.A.

State of New Jersey }
 } ss.
County of Hudson }

Sworn and Subscribed before me this 9th day of March, 2015

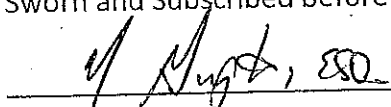
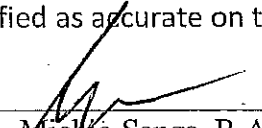

Neera Gupta, Esq.
Attorney at Law
State of New Jersey

EXHIBIT E-1

**ESTIMATED TOTAL PROJECT COST CALCULATION
PER N.J.S.A. 40a:20-3(h)**

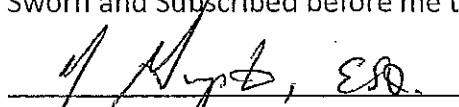
A.	Cost of land and improvements to Urban Renewal entity	\$470,000
B.	Architects, Engineers, surveying and Attorney Fees (paid or payable) in connection with the planning, construction and financing of the Project	\$28,000
C.	Projected construction cost per architect's estimate. Bids including site preparation [includes permits and hook-up fees].	\$600,000
D.	Insurance, interest, and finance costs during construction	\$31,400
E.	Cost of obtaining initial permanent financing	\$20,000
F.	Marketing and other expenses payable in connection with initial lease of units	\$40,000
G.	Real estate taxes and assessments during construction period	\$10,000
H.	Developer's overhead based on a percentage of (c) above, to be computed in accordance with percentage given in law N.J.S.A. 40A:20-3(h)	\$50,000
TOTAL Project Cost		\$1,249,400

The above information is hereby
certified as accurate on this ____ day of March, 2015.

By: 
Michio Sanga, R.A.
Façade Architecture

State of New Jersey }
 } ss.
County of Hudson }

Sworn and Subscribed before me this 9th day of March, 2015


Neeraj Gupta, Esq.
Attorney at Law
State of New Jersey

SERVICE CHARGE VS CONVENTIONAL

DEVI MIA NEWKIRK UR

*ASSUMING 74.34 TAX RATE WITH 2% ANNUAL INCREASE

NEW ASSESSMENTS BASED ON TAX ASSESSOR ANALYSIS				EXISTING ASSESSMENT	
LAND	84,900	COUNTY	5%	112,400	
BLDG	361,200	ADMIN	0.50%	28,560	
TOTAL	446,100	PROJECTED SERVICE CHARGE (1ST YEAR)		28,560	

YEAR	ASC w/ Phase-In Less Land Tax Credit	ASC w/ 2% Annual Increase	ASC w/ 2% Annual Increase & Phase-In	County (5%)	Admin (0.5%)	Estimated Conventional Taxes On New Assessment	Staged Adj Rate	% of Conv.	Conventional Taxes at 51% (Estimated)	Current Taxes On Existing Assessment	Land Tax
1	22,249	28,560	28,560	1,428	143	33,163			16,913	8,356	6,311
2	22,694	29,131	29,131	1,457	146	33,826			17,251	8,523	6,438
3	23,147	29,714	29,714	1,486	149	34,503			17,596	8,693	6,566
4	23,610	30,308	30,308	1,515	152	35,193			17,948	8,867	6,698
5	24,083	30,914	30,914	1,546	155	35,897			18,307	9,045	6,832
6	24,564	31,533	31,533	1,577	158	36,615			18,674	9,225	6,968
7	25,055	32,163	32,163	1,608	161	37,347			19,047	9,410	7,108
8	25,557	32,806	32,806	1,640	164	38,094			19,428	9,598	7,250
9	26,068	33,463	33,463	1,673	167	38,856			19,816	9,790	7,395
10	26,589	34,132	34,132	1,707	171	39,633	20%	7,927	20,213	9,986	7,543
11	27,121	34,814	34,814	1,741	174	40,426	20%	8,085	20,617	10,186	7,694
12	27,663	35,511	35,511	1,776	178	41,234	20%	8,247	21,029	10,389	7,848
13	28,217	36,221	36,221	1,811	181	42,059	20%	8,412	21,450	10,597	8,004
14	28,781	36,945	36,945	1,847	185	42,900	40%	17,160	21,879	10,809	8,165
15	29,356	37,684	37,684	1,884	188	43,758	40%	17,503	22,317	11,025	8,328
16	29,944	38,438	38,438	1,922	192	44,633	40%	17,853	22,763	11,246	8,494
17	30,542	39,207	39,207	1,960	196	45,526	40%	18,210	23,218	11,471	8,664
18	31,153	39,991	39,991	2,000	200	46,436	60%	27,862	23,683	11,700	8,838
19	31,776	40,791	40,791	2,040	204	47,365	60%	28,419	24,156	11,934	9,014
20	32,412	41,607	41,607	2,080	208	48,312	60%	28,987	24,639	12,173	9,195
21	33,060	42,439	42,439	2,122	212	49,279	60%	29,567	25,132	12,416	9,379
22	33,721	43,287	43,287	2,164	216	50,264	80%	40,211	25,635	12,665	9,566
23	34,396	44,153	44,153	2,208	221	51,269	80%	41,016	26,147	12,918	9,757
24	35,084	45,036	45,036	2,252	225	52,295	80%	41,836	26,670	13,176	9,953
25	35,785	45,937	45,937	2,297	230	53,341	80%	42,673	27,204	13,440	10,152
26	36,501	46,856	46,856	2,344	234	54,408	80%	43,526	27,748	13,709	10,355
27	37,231	47,793	47,793	2,390	239	55,496	80%	44,397	28,303	13,983	10,562
28	37,976	48,749	48,749	2,437	244	56,606	80%	45,284	28,869	14,262	10,773
29	38,735	49,724	49,724	2,486	249	57,738	80%	46,190	29,446	14,548	10,988
30	39,510	50,718	50,718	2,536	254	58,892	80%	47,114	30,035	14,839	11,208
TOTAL	902,580	1,158,624	1,158,624	57,931	5,793	1,345,362		610,479	666,135	338,979	256,044

ASC phase-in reflects annual 2% increase in conventional taxes AND Gross Rents

	DEVI MA NEWKIRK URBAN RENEWAL LLC							
	BLOCK 10802	Lot 36						
	60-62 Newkirk St.							
Block	Lot		Existing Assessments	New Assessment	Good Faith Assessment	ASC Log	Faith Assessment	
				Structure		Exempt		
10802	36	Land	35,200	120,100	84,900			
		Bldg	77,200	438,400	361,200	#####	361,200	
		Total	112,400	558,500	446,100	#####	361,200	
	Estimated In-Lieu of Full Property Tax Payments An Amount Equal To A							
	A Percentage Of Taxes Otherwise Due On The Land and Improvement Based							
	2014 Rate And Ratio According To The Following Stages:							
							ASC Annual Taxes*	
							(Phase-In)	
Stage One	From the 1st day of the month following substantial completion until the last day of the 9th year, the ASC shall be at 14% of Annual Revenue						#####	0
Stage Two	Beginning on the 1st day of the 10th year and the last day of the 13th year of substantial completion, an amount equal to the greater of the ASC at 14% or 20% of the amount of taxes otherwise due on the value of the land and improvements;						#####	\$ 6,633
Stage Three	Beginning on the 1st day of the 14th year and the last day of the 17th year of substantial completion, an amount equal to the greater of the ASC at 14% or 40% of the amount of taxes otherwise due on the value of the land and improvements;							
Stage Four	Beginning on the 1st day of the 18th year and the last day of the							

	21st year of substantial completion, an amount equal to the greater of the ASC at 14% or 60% of the amount of taxes otherwise due on the value of the land and improvements;		#####	\$19,898
Final Stage	Beginning on the 1st day of the 22nd year and the last day of the 30th year of substantial completion, an amount equal to the greater of the ASC at 14% or 80% of the amount of taxes otherwise due on the value of the land and improvements.		#####	\$26,530
	Yearly Land and Improvement Yearly Tax			
	Upon Completion & at 100% Valuation of New Structure			\$33,163
5/5/2015			* Based on 2014 Tax Rate of \$74.34	

DATE: May 5, 2015
TO: Diana Jeffrey (For distribution to City Council and City Clerk)
FROM: Al Cameron, Fiscal Officer - Tax Collector's Office
SUBJECT: THIRTY YEAR TAX ABATEMENT: MARKET RATE RESIDENTIAL
RENTAL PROJECT-Devi Ma Newkirk Urban Renewal LLC,
60-62 Newkirk Street - Block 10802 Lot 36

CC: M. Cosgrove, E. Borja, E. Toloza, J. Monahan, B. Platt, G. Corrado,

INTRODUCTION:

The applicant, Devi Ma Newkirk Urban Renewal LLC, is applying for a thirty (30) year tax abatement under N.J.S.A. 40 A: 20-1 et seq. It will be a five (5) story, fourteen unit market rate rental project within the Journal Square 2060 Redevelopment Plan area. The proposed project is located in Tier IV on the Jersey City Tax Exemption Policy Map. The application fee of \$9,500 was paid.

LOCATION OF THE PROPERTY:

The property is located at 60-62 Newkirk Street between Summit and Baldwin Avenues. It consists of Block 10802 Lot 36. There is an existing Three (3) story six (6) unit residential rental building on the site. It will remain.

PROPERTY TO BE CONSTRUCTED:

The proposed project will consist of fourteen (14) market rate residential units. The units are as follows:

<u>Unit Type</u>	<u>Number of Units</u>
Studio	4
One Bedroom	10

ESTIMATED TOTAL CONSTRUCTION COST:

The cost of construction is estimated at \$628,000 is certified by Michio Sanga, the applicant's architect. Total Project Cost is projected at \$1,249,400.

CONSTRUCTION SCHEDULE:

The applicant is prepared to begin construction immediately upon executing a Financial Agreement and obtaining all government approvals. Completion is expected within eighteen (18) months of commencement.

DEVI MA NEWKIRK URBAN RRENEWAL LLC 30 YR SUM.DOCX

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ESTIMATED JOBS CREATED:

The applicant estimates creation of eight (8) jobs during Construction and approximately two (2) permanent real estate jobs after construction. The applicant will execute a Project Employment and Contracting Agreement. However; based upon the estimated construction cost, a Project Labor Agreement is not required.

AFFORDABLE HOUSING TRUST FUND CONTRIBUTIONS:

At the rate of \$1,500 per residential unit for fourteen (14) units the applicant proposes a total AHTF contribution of \$21,000

CURRENT REAL ESTATE TAX:

The existing assessment for the land is \$35,200 and the building that will remain is \$77,200. At the current tax rate of \$74.34 the estimated annual tax for the land and existing building is \$8,355.82. The additional assessment on the land is \$84,900 and for the improvements is \$361,200. The First Quarter 2015 taxes are paid.

PROPOSED ABATEMENT:

The property is in Tier IV of the Jersey City Tiered Tax Exemption Policy Map. The applicant has requested a term of the lesser of thirty-five (35) years from the date of approval of an ordinance approving the abatement or thirty (30) years from substantial completion of the project.

The tier IV Tax Abatement Policy provides for a PILOT of a minimum of ten percent (10%) of Annual gross revenue, a one half of one percent (0.5%) City administrative fee and a five percent (5%) service charge to Hudson County. The rate of this abatement is proposed at fourteen percent (14%) of Annual Gross Revenue.

The proposed staged adjustments would begin the first day of year ten (10). The ASC in years ten (10) through the end of year thirteen (13) would be the greater of fourteen percent (14%) of gross revenue or twenty percent (20%) of conventional taxes. Beginning in year fourteen (14) through the end of year seventeen (17) it would be the greater of fourteen percent (14%) of Annual gross revenue, or forty percent (40%) of conventional taxes. Beginning in year eighteen (18) through the end of year twenty-one (21) it would be the greater of fourteen percent (14%) of Annual gross revenue, or sixty percent (60%) of conventional taxes. Beginning in year twenty-two (22) until the end of year thirty (30) it would be the greater of fourteen percent (14%) of Annual gross revenue, or eighty percent (80%) of conventional taxes.

PROPOSED REVENUE TO THE CITY:

At full occupancy the Applicant's good faith estimated annual revenue is \$204,000. The proposed market rents used for the revenue estimates seem to be reasonable. The Annual Service Charge at the rate of fourteen percent (14%) is \$28,560. The City Administrative fee at one half of one percent (0.5%) would be \$142.80. and the Hudson County fee of five percent (5%) would be \$1,428.

Re: 60-62 Newkirk Street
Block 10802, Lot 36
Journal Square 2060 Redevelopment Plan

PREAMBLE

THIS FINANCIAL AGREEMENT, [Agreement] is made the _____ day of __, 2015 by and between **DEVI MA NEWKIRK URBAN RENEWAL, LLC**, an urban renewal entity formed and qualified to do business under the provisions of the Long Term Tax Exemption Law of 2003, N.J.S.A. 40A:20-1 et seq., having its principal office at 2449 Kennedy Boulevard, Jersey City, NJ 07304 [Entity], and the **CITY OF JERSEY CITY**, a Municipal Corporation of the State of New Jersey, having its principal office at 280 Grove Street, Jersey City, New Jersey 07302 [City].

RECITALS

WITNESSETH:

WHEREAS, the Entity is the Owner pursuant to Deed dated February 27, 2013, of certain property designated as Block 10802, Lot 36, more commonly known by the street address of 60-62 Newkirk Street, Street, Jersey City, and more particularly described by the metes and bounds description set forth as Exhibit 1 to this Agreement; and

WHEREAS, this property is located within the boundaries of the Journal Square 2060 Redevelopment Plan Area; and

WHEREAS, the Property currently consists of a three (3) story, six (6) unit residential structure (Existing Structure), which shall remain on the Property and be designated as Condo Unit One; and

WHEREAS, Condo Unit One shall continue to pay conventional taxes; and

WHEREAS, the proposed Improvements and the subject of this tax exemption application shall be designated as Condo Unit Two; and

WHEREAS, the Master Deed creating the condominium shall be recorded prior to the execution of the Financial Agreement, otherwise the tax exemption shall terminate and the within Ordinance shall be null and void; and

WHEREAS, the Entity shall only receive a credit for land taxes paid for the limited or common elements that are in proportion to the land taxes attributable to the new Improvements; and

WHEREAS, by an application submitted on March 5, 2015, the Entity applied for a 30 year long term tax exemption to construct a new residential rental project, on or adjoining the Existing Structure, to consist of a new five (5) story building with fourteen (14) new market rate residential rental units (Project); and

WHEREAS, the Project received Preliminary and Final Site Plan approval from the Planning Board on May 13, 2014; and

WHEREAS, by the adoption of Ordinance _____ on _____, 2015, the Municipal Council approved a long term tax exemption for the Project and authorized the execution of a Financial Agreement; and

WHEREAS, the City made the following findings:

A. Relative Benefits of the Project when compared to the costs:

1. the current real estate tax generates revenue of only \$6,311, whereas, the Annual Service Charge as estimated, will generate revenue to the City of approximately \$28,560;
2. as required by ordinance 13-088, the Entity shall pay the City the sum of \$7,000 on or before the effective date of the ordinance approving the Financial Agreement, and will pay the balance of \$14,000 as an affordable housing contribution as required by the ordinance;
3. it is expected that the Project will create approximately 8 new construction jobs and 2 new permanent full time jobs;
4. the project should stabilize and contribute to the economic growth of existing local business and to the creation of new businesses, which cater to the new occupants;
5. the Project will further the objectives of the Journal Square 2060 Redevelopment Plan, and will include the development of property that is partially vacant;

6. the City's Impact Analysis, on file with the Office of the City Clerk, indicates that the benefits of the Project outweigh the costs to the City; and

B. Assessment of the Importance of the Tax Exemption in obtaining development of the project and influencing the locational decisions of probable occupants:

1. the relative stability and predictability of the annual service charges will make the Project more attractive to investors and lenders needed to finance the Project; and
2. the relative stability and predictability of the service charges will allow the owner to stabilize its operating budget, allowing a high level of maintenance to the building over the life of the Project, which will attract occupants to the Project, insure the likelihood of stabilized rents to tenants and the success of the Project; and
3. have a positive impact on the surrounding area.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

ARTICLE I - GENERAL PROVISIONS

Section 1.1 Governing Law

This Agreement shall be governed by the provisions of the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1 et seq., Executive Order of the Mayor 13-004, Disclosure of Lobbyist Status, Ordinance 02-075, and Ordinance _____, which authorized the execution of this Agreement. It being expressly understood and agreed that the City expressly relies upon the facts, data, and representations contained in the Application, attached hereto as Exhibit 3, in granting this tax exemption.

Section 1.2 General Definitions

Unless specifically provided otherwise or the context otherwise requires, when used in this Agreement, the following terms shall have the following meanings:

- i. Allowable Net Profit- The amount arrived at by applying the Allowable Profit Rate to Total Project Cost pursuant to N.J.S.A. 40A:20-3(c).
- ii. Allowable Profit Rate - The greater of 12% or the percentage per annum arrived at by adding 1.25% to the annual interest percentage rate payable on the Entity's initial

permanent mortgage financing. If the initial permanent mortgage is insured or guaranteed by a governmental agency, the mortgage insurance premium or similar charge, if payable on a per annum basis, shall be considered as interest for this purpose. If there is no permanent mortgage financing, or if the financing is internal or undertaken by a related party, the Allowable Profit Rate shall be the greater of 12% or the percentage per annum arrived at by adding 1.25% per annum to the interest rate per annum which the municipality determines to be the prevailing rate on mortgage financing on comparable improvements in Hudson County. The provisions of N.J.S.A. 40A:20-3(b) are incorporated herein by reference.

iii. Annual Gross Revenue - Any and all revenue derived from or generated by the Project of whatever kind or amount, whether received as rent from any tenants or income or fees from third parties, including but not limited to fees or income paid or received for parking, or as user fees or for any other services. No deductions will be allowed for operating or maintenance costs, including, but not limited to gas, electric, water and sewer, other utilities, garbage removal and insurance charges, whether paid for by the landlord, tenant or a third party.

iv. Annual Service Charge - The amount the Entity has agreed to pay the City each year for municipal services supplied to the Project, which sum is in lieu of any taxes on the Improvements, pursuant to N.J.S.A. 40A:20-12. It shall include a payment for all annual excess profit.

v. Auditor's Report - A complete annual financial statement outlining the financial status of the Project, which shall also include a certification of Total Project Cost and clear computation of the annual Net Profit. The contents of the Auditor's Report shall have been prepared in conformity with generally accepted accounting principles and shall contain at a minimum the following: a balance sheet, a statement of income, a statement of retained earnings or changes in stockholders' equity, a statement of cash flows, descriptions of accounting policies, notes to financial statements and appropriate schedules and explanatory material results of operations, cash flows and any other items required by Law. The Auditor's Report shall be certified as to its conformance with such principles by a certified public accountant who is licensed to practice that profession in the State of New Jersey.

vi. Certificate of Occupancy - A document, whether temporary or permanent, issued by the City authorizing occupancy of a building, in whole or in part, pursuant to N.J.S.A.

vii. Debt Service - The amount required to make annual payments of principal and interest or the equivalent thereof on any construction mortgage, permanent mortgage or other financing including returns on institutional equity financing and market rate related party debt for the project for a period equal to the term of this agreement.

viii. Default - Shall be a breach of or the failure of the Entity to perform any obligation imposed upon the Entity by the terms of this Agreement, or under the Law, beyond any applicable grace or cure periods.

ix. Entity - The term Entity within this Agreement shall mean Devi Ma Newkirk Urban Renewal, LLC, which Entity is formed and qualified pursuant to N.J.S.A. 40A:20-5. It shall also include any subsequent purchasers or successors in interest of the Project, provided they are formed and operate under the Law.

x. Improvements or Project - Any building, structure or fixture permanently affixed to the land and to be constructed and tax exempted under this Agreement.

xi. In Rem Tax Foreclosure or Tax Foreclosure - A summary proceeding by which the City may enforce a lien for taxes due and owing by tax sale, under N.J.S.A. 54:5-1 to 54:5-129 et seq.

xii. Land Taxes - The amount of taxes assessed on the value of land, on which the project is located and, if applicable, taxes on any pre-existing improvements. Land Taxes are not exempt; however, Land Taxes are applied as a credit against the Annual Service Charge.

xiii. Land Tax Payments - Payments made on the quarterly due dates, including approved grace periods if any, for Land Taxes as determined by the Tax Assessor and the Tax Collector.

xiv. Law - Law shall refer to the Long Term Tax Exemption Law, as amended and supplemented, N.J.S.A. 40A:20-1, et seq.; Executive Order of the Mayor 13-004, relating to long term tax exemption, as it may be supplemented; Ordinance 02-075 requiring Disclosure of Lobbyist Status and Ordinance _____, which authorized the execution of this Agreement and all other relevant Federal, State or City statutes, ordinances, resolutions, rules and regulations.

xv. Minimum Annual Service Charge - The Minimum Annual Service Charge shall be the greater of: (a) the amount of the total taxes levied against all real property in the area

covered by the Project in the last full tax year in which the area was subject to taxation, which amount the parties agree is \$6,311; or (b) the sum of \$28,560 per year, which sum is equal to the estimated Annual Service Charge will be due 12 months following the date of Substantial Completion of the Project [Minimum Annual Service Charge for condominium is based on initial assessed value].

xvi. Net Profit - The Annual Gross Revenues of the Entity less all annual operating and non-operating expenses of the Entity, all determined in accordance with generally accepted accounting principles, but:

(1) there shall be included in expenses: (a) all Annual Service charges paid pursuant to N.J.S.A. 40A:20-12; (b) all annual payments to the City of excess profits pursuant to N.J.S.A. 40A:20-15 or N.J.S.A. 40A:20-16; (c) an annual amount sufficient to amortize (utilizing the straight line method-equal annual amounts) the Total Project Cost and all capital costs determined in accordance with generally accepted accounting principles, of any other entity whose revenue is included in the computation of excess profits over the term of this agreement; (d) all reasonable annual operating expenses of the Entity and any other entity whose revenue is included in the computation of excess profits including the cost of all management fees, brokerage commissions, insurance premiums, all taxes or service charges paid, legal, accounting, or other professional service fees, utilities, building maintenance costs, building and office supplies and payments into repair or maintenance reserve accounts; (e) all payments of rent including but not limited to ground rent by the Entity; (f) all debt service; and

(2) there shall not be included in expenses either depreciation or obsolescence, interest on debt, except interest which is part of debt service, income taxes or salaries, bonuses or other compensation paid, directly or indirectly to directors, officers and stockholders of the entity, or officers, partners or other persons holding a proprietary ownership interest in the entity.

xvii. Pronouns - He or it shall mean the masculine, feminine or neuter gender, the singular, as well as the plural, as context requires.

xviii. Substantial Completion - The determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the first date on which the Project receives, or is eligible to receive, any Certificate of Occupancy whether temporary or permanent for any portion of the Project.

permanent for any portion of the Project.

xix. Termination - Any act or omission which by operation of the terms of this Financial Agreement shall cause the Entity to relinquish its tax exemption.

xx. Total Project Cost - The total cost of constructing the Project through the date a Certificate(s) of Occupancy is issued for the entire Project, which categories of cost are set forth in N.J.S.A. 40A:20-3(h). There shall be included from Total Project Cost the actual costs incurred by the Entity and certified by an independent and qualified architect or engineer, which are associated with site remediation and cleanup of environmentally hazardous materials or contaminants in accordance with State or Federal law and any extraordinary costs incurred including the cost of demolishing structures, relocation or removal of public utilities, cost of relocating displaced residents or buildings and the clearing of title. If the Service Charge is a percentage of Total Project Cost, then the Entity agrees that final Total Project Cost shall not be less than its estimated Total Project Cost.

ARTICLE II - APPROVAL

Section 2.1 Approval of Tax Exemption

The City hereby grants its approval for a tax exemption for all the Improvements to be constructed and maintained in accordance with the terms and conditions of this Agreement and the provisions of the Law which Improvements shall be constructed on certain property known on the Official Tax Assessor's Map of the City as: Block 10802, Lot 36, more commonly known by the street address 60-62 Newkirk Street, Jersey City, and described by metes and bounds in Exhibit 1 attached hereto.

Section 2.2 Approval of Entity

Approval is granted to the Entity whose Certificate of Formation is attached hereto as Exhibit 4. Entity represents that its Certificate contains all the requisite provisions of the Law; has been reviewed and approved by the Commissioner of the Department of Community Affairs; and has been filed with, as appropriate, the Office of the State Treasurer or Office of the Hudson County Clerk, all in accordance with N.J.S.A. 40A:20-5.

Section 2.3 Improvements to be Constructed

Entity represents that it will construct a new residential rental project, on or adjoining the Existing Structure, to consist of a new five (5) story building with fourteen (14) new market rate

residential rental units; all of which is specifically described in the Application attached hereto as Exhibit 3. There exists on the Property a three (3) story, six (6) unit structure (Existing Structure), which shall remain.

Section 2.4 Construction Schedule

The Entity agrees to diligently undertake to commence construction and complete the Project in accordance with the Estimated Construction Schedule, attached hereto as Exhibit 5, and in compliance with any Redevelopment Agreement.

Section 2.5 Ownership, Management and Control

The Entity represents that it is the owner of the property upon which the Project is to be constructed. Upon construction, the Entity represents that the Improvements will be used, managed and controlled for the purposes set forth in this Agreement and any Redevelopment Agreement.

Section 2.6 Financial Plan

The Entity represents that the Improvements shall be financed in accordance with the Financial Plan attached hereto as Exhibit 6. The Plan sets forth a good faith estimate of Total Project Cost, the amortization rate on the Total Project Cost, the source of funds, the interest rates to be paid on construction financing, the source and amount of paid-in capital, and the terms of any mortgage amortization.

Section 2.7 Good Faith Estimate of Initial Sale Prices or Rents

The Entity represents that its good faith projections of the initial sale price or rents and other revenue to the Project are set forth in Exhibit 7.

ARTICLE III - DURATION OF AGREEMENT

Section 3.1 Term

So long as there is compliance with the Law and this Agreement, it is understood and agreed by the parties hereto that this Agreement shall remain in effect for the earlier of 35 years from the date of the adoption of Ordinance _____ on _____, 2015, which approved the tax exemption or 30 years from the original date of Substantial Completion of the Project or _____ 20 _____. The tax exemption shall only be effective during the period of usefulness of the Project and shall continue in force only while the Project is owned by a corporation or association formed and operating under the Law.

ARTICLE IV - ANNUAL SERVICE CHARGE

Section 4.1 Annual Service Charge

In consideration of the tax exemption, the Entity shall make the following annual payments to the City for services provided to the Project:

i. City Service Charge: an amount equal to the greater of: the Minimum Annual Service Charge or an Annual Service Charge equal to 14% of the Annual Gross Revenue. The Annual Service Charge shall be billed initially based upon the Entity's estimates of Annual Gross Revenue, attached hereto as Exhibit 6. Thereafter, the Annual Service Charge shall be adjusted in accordance with this Agreement.

ii. County Service Charge: an amount equal to 5% of the Municipal Annual Service Charge shall be paid to the City and remitted by the City to the County.

iii. The Minimum Annual Service Charge pursuant to Section 1.2xv(a) shall be due beginning on the effective date of this Agreement. The Minimum Annual Service Charge pursuant to Section 1.2xv(b) shall be due 12 months following the date of Substantial Completion of the Project. The City Service Charge and the County Annual Service Charge shall be due on the first day of the month following the Substantial Completion of the Project. In the event the Entity fails to timely pay the Minimum Annual Service Charge or the Annual Service Charge, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on land until paid.

Section 4.2 Staged Adjustments

The Annual Service Charge shall be adjusted, in Stages over the term of the tax exemption in accordance with N.J.S.A. 40A:20-12(b) as follows:

i. Stage One: From the 1st day of the month following Substantial Completion until the last day of the 9th year, the Annual Service Charge shall be 14% of Annual Gross Revenue;

ii. Stage Two: Beginning on the 1st day of the 10th year following Substantial Completion until the last day of the 13th year, an amount equal to the greater of the Annual Service Charge or 20% of the amount of the taxes otherwise due on the assessed value of the land and Improvements;

iii. Stage Three: Beginning on the 1st day of the 14th year following the Substantial

Completion until the last day of the 17th year, an amount equal to the greater of the Annual Service Charge or 40% of the amount of the taxes otherwise due on the assessed value of the land and Improvements;

iv. Stage Four: Beginning on the 1st day of the 18th year following Substantial Completion until the last day of the 21st year, an amount equal to the greater of the Annual Service Charge or 60% of the amount of the taxes otherwise due on the assessed value of the land and Improvements.

v. Final Stage: Beginning on the 1st day of the 22nd year following Substantial Completion through the date the tax exemption expires, an amount equal to the greater of the Annual Service Charge or 80% of the amount of the taxes otherwise due on the assessed value of the land and Improvements.

Section 4.3 Land Tax

The Entity is required to pay both the Annual Service Charge and the Land Tax Payments. The Entity is obligated to make timely Land Tax Payments, including any tax on the pre-existing improvements, in order to be entitled to a Land Tax credit against the Annual Service Charge for the subsequent year. The Entity shall be entitled to credit for the amount, without interest, of the Land Tax Payments made in the last four preceding quarterly installments against the Annual Service Charge. In any quarter that the Entity fails to make any Land Tax Payments when due and owing, such delinquency shall render the Entity ineligible for any Land Tax Payment credit against the Annual Service Charge. No credit will be applied against the Annual Service Charge for a partial payment of Land Taxes. In addition, the City shall have, among this remedy and other remedies, the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. and/or declare a Default and terminate this Agreement.

Section 4.4 Quarterly Installments / Interest

The Entity expressly agrees that the Annual Service Charge shall be made in quarterly installments on those dates when real estate tax payments are due; subject, nevertheless, to adjustment for over or underpayment within thirty (30) days after the close of each calendar year. In the event that the Entity fails to pay the Annual Service Charge or any other charge due under

this agreement, the unpaid amount shall bear the highest rate of interest permitted in the case of unpaid taxes or tax liens on the land until paid in full.

Section 4.5 Administrative Fee

The Entity shall also pay an annual Administrative Fee to the City in addition to the Annual Service Charge and Land Tax levy. The Administrative Fee shall be calculated as half of one (0.5%) percent of each prior year's Annual Service Charge. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge.

Section 4.6 Affordable Housing Contribution and Remedies

A. **Contribution.** The Entity will pay the City the sum of \$21,000 or [\$1,500 per unit x 14 units] as a contribution. The sum shall be due and payable as follows:

- i. 1/3 on or before the effective adoption date of the Ordinance approving the tax exemption;
- ii. 1/3 on or before the issuance of the first of any construction permit for the Project, but no later than six months after the date of the Financial Agreement; and
- iii. 1/3 on or before the date the first of any Certificate of Occupancy is issued for the Project, but no later than twenty-four (24) months after the date of the Financial Agreement.

Section 4.7 Material Conditions

It is expressly agreed and understood that the timely payments of Land Taxes, Minimum Annual Service Charges, Annual Service Charges, including Annual Net Profits and any adjustments thereto, Administrative Fees, Affordable Housing Contributions, and any interest thereon, are Material Conditions of this Agreement.

ARTICLE V - PROJECT EMPLOYMENT AND CONTRACTING AGREEMENT

Section 5.1 Project Employment and Contracting Agreement

In order to provide City residents and businesses with certain employment and other economic related opportunities, the Entity is subject to the terms and conditions of the Project Employment and Contracting Agreement, attached hereto as Exhibit 8.

ARTICLE VI - CERTIFICATE OF OCCUPANCY

Section 6.1 Certificate of Occupancy

It is understood and agreed that it shall be the obligation of the Entity to obtain all Certificates of Occupancy in a timely manner so as to complete construction in accordance with the proposed construction schedule attached hereto as Exhibit 5. The failure to secure the Certificates of Occupancy shall subject the Property to full taxation for the period between the date of Substantial Completion and the date the Certificate of Occupancy is obtained.

Section 6.2 Filing of Certificate of Occupancy

It shall be the primary responsibility of the Entity to forthwith file with both the Tax Assessor and the Tax Collector a copy of each Certificate of Occupancy.

Failure of the Entity to file such issued Certificate of Occupancy as required by the preceding paragraph, shall not militate against any action or non-action, taken by the City, including, if appropriate retroactive billing with interest for any charges determined to be due, in the absence of such filing by the Entity.

Section 6.3 Construction Permits

The estimated construction cost basis disclosed by the Entity's application and proposed Financial Agreement may, at the option of the City, be used as the basis for the construction cost in the issuance of any construction permit for the Project.

ARTICLE VII - ANNUAL REPORTS

Section 7.1 Accounting System

The Entity agrees to maintain a system of accounting and internal controls established and administered in accordance with generally accepted accounting principles.

Section 7.2 Periodic Reports

A. Auditor's Report: Within ninety (90) days after the close of each fiscal or calendar year, depending on the Entity's accounting basis that the Agreement shall continue in effect, the Entity shall submit to the Mayor and Municipal Council and the NJ Division of Local Government Services in the Department of Community Affairs, its Auditor's Report for the preceding fiscal or calendar year. The Auditor's Report shall include, but not be limited to gross revenue, and the terms and interest rate on any mortgage(s) associated with the purchase or construction of the Project and such details as may relate to the financial affairs of the Entity and

to its operation and performance hereunder, pursuant to the Law and this Agreement. The Report shall clearly identify and calculate the Net Profit for the Entity during the previous year, the excess of which shall be paid to the City each year an excess profit is generated.

B. Total Project Cost Audit: Within ninety (90) days after Substantial Completion of the Project, the Entity shall submit to the Mayor, Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, an audit of Total Project Cost, including but not limited to an audit of actual construction costs as certified by the Project architect.

C. Disclosure Statement: On the anniversary date of the execution of this Agreement, and each and every year thereafter while this agreement is in effect, the Entity shall submit to the Municipal Council, the Tax Collector and the City Clerk, who shall advise those municipal officials required to be advised, a Disclosure Statement listing the persons having an ownership interest in the Project, and the extent of the ownership interest of each and such additional information as the City may request from time to time. All disclosures shall include ownership interests of the individual persons owning any corporate interest in the Entity.

Section 7.3 Inspection/Audit

The Entity shall permit the inspection of its property, equipment, buildings and other facilities of the Project and, if deemed appropriate or necessary, any other related Entity by representatives duly authorized by the City or the NJ Division of Local Government Services in the Department of Community Affairs. It shall also permit, upon request, examination and audit of its books, contracts, records, documents and papers. Such examination or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent designated by the Entity for any year during which the tax exemption financial agreement was in full force and effect.

All costs incurred by the City to conduct a review of the Entity's audits, including reasonable attorneys' fees if appropriate, shall be billed to the Entity and paid to the City as part of the Entity's Annual Service Charge. Delinquent payments shall accrue interest at the same rate as for a delinquent service charge.

ARTICLE VIII- LIMITATION OF PROFITS AND RESERVES

Section 8.1 Limitation of Profits and Reserves

During the period of tax exemption as provided herein, the Entity shall be subject to a limitation of its profits pursuant to the provisions of N.J.S.A. 40A:20-15.

The Entity shall have the right to establish a reserve against vacancies, unpaid rentals, and reasonable contingencies in an amount equal to five (5%) percent of the Gross Revenue of the Entity for the last full fiscal year preceding the year and may retain such part of the Excess Net Profits as is necessary to eliminate a deficiency in that reserve, as provided in N.J.S.A. 40A:20-15. The reserve is to be non-cumulative, it being intended that no further credits thereto shall be permitted after the reserve shall have attained the allowable level of five (5%) percent of the preceding year's Gross Revenue.

Section 8.2 Annual Payment of Excess Net Profit

In the event the Net Profits of the Entity, in any year, exceeds the Allowable Net Profits for such year, then the Entity, within one hundred and twenty (120) days after the end of the year, shall pay such excess Net Profits to the City as an additional annual service charge; provided, however, that the Entity may maintain a reserve as determined pursuant to aforementioned paragraph 8.1. The calculation of the Entity's Excess Net Profits shall include those project costs directly attributable to site remediation and cleanup expenses and any other costs excluded in the definition of Total Project Cost in Section 1.2 (xx) of this Agreement even though those costs may have been deducted from the project costs for purposes of calculating the annual service charge.

Section 8.3 Payment of Reserve/ Excess Net Profit Upon Termination, Expiration or Sale

The date of termination, expiration or sale shall be considered to be the close of the fiscal year of the Entity. Within ninety (90) days after such date, the Entity shall pay to the City the amount of the reserve, if any, maintained by it pursuant to this section and the balance of the Excess Net Profit, if any.

ARTICLE IX - ASSIGNMENT AND/OR ASSUMPTION

Section 9.1 Approval of Sale

Any sale or transfer of the Project, shall be void unless approved in advance by

Ordinance of the Municipal Council. It is understood and agreed that the City, on written application by the Entity, will not unreasonably withhold its consent to a sale of the Project and the transfer of this Agreement provided 1) the new Entity does not own any other Project subject to long term tax exemption at the time of transfer; 2) the new Entity is formed and eligible to operate under the Law; 3) the Entity is not then in default of this Agreement or the Law; 4) the Entity's obligations under this Agreement are fully assumed by the new Entity; 5) the Entity pays in full the maximum transfer fee, 2% of the Annual Service Charge, as permitted by N.J.S.A. 40A:20-10(d); and 6) as to projects that are not Substantially Complete, the Entity is comprised of principals possessing substantially the same or better financial qualifications and credit worthiness as the Entity.

Nothing herein shall prohibit any transfer of the ownership interest in the Entity itself provided that the transfer, if greater than 14%, is disclosed to the City in the annual disclosure statement or in correspondence sent to the City in advance of the filing of the annual disclosure statement.

Section 9.2 Transfer Application Fee

Where the consent or approval of the City is sought for approval of a change in ownership or sale or transfer of the Project, the Entity shall be required to pay to the City a new tax exemption application fee for the legal and administrative services of the City, as it relates to the review, preparation and/or submission of documents to the Municipal Council for appropriate action on the requested assignment. The fee shall be non-refundable.

ARTICLE X - COMPLIANCE

Section 10.1 Operation

During the term of this Agreement, the Project shall be maintained and operated in accordance with the provisions of the Law. Operation of Project under this Agreement shall not only be terminable as provided by N.J.S.A. 40A:20-1, et seq., as amended and supplemented, but also by a Default under this Agreement. The Entity's failure to comply with the Law shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

Section 10.2 Disclosure of Lobbyist Representative

During the term of this Agreement, the Entity must comply with Executive Order 2013-004, and Ordinance 02-075, requiring Written Disclosure of Lobbyist Representative Status. The Entity's failure to comply with the Executive Order or the Ordinance shall constitute a Default under this Agreement and the City shall, among its other remedies, have the right to terminate the tax exemption.

ARTICLE XI - DEFAULT

Section 11.1 Default

Default shall be failure of the Entity to conform with the terms of this Agreement or failure of the Entity to perform any obligation imposed by the Law, beyond any applicable notice, cure or grace period.

Section 11.2 Cure Upon Default

Should the Entity be in Default, the City shall send written notice to the Entity of the Default [Default Notice]. The Default Notice shall set forth with particularity the basis of the alleged Default. The Entity shall have sixty (60) days, from receipt of the Default Notice, to cure any Default which shall be the sole and exclusive remedy available to the Entity. However, if, in the reasonable opinion of the City, the Default cannot be cured within sixty (60) days using reasonable diligence, the City will extend the time to cure.

Subsequent to such sixty (60) days, or any approved extension, the City shall have the right to terminate this Agreement in accordance with Section 12.1.

Should the Entity be in default due to a failure to pay any charges defined as Material Conditions in Section 4.7, or a sale of the Project occurs without the consent of the City, the Entity shall not be subject to the default procedural remedies as provided herein but shall allow the City to proceed immediately to terminate the Agreement as provided in Article XII herein.

Section 11.3 Remedies Upon Default

The City shall, among its other remedies, have the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1, et seq. In order to secure the full and timely payment of the Annual Service Charge, the City on its own behalf, or on behalf of the Trustee, reserves the right to prosecute an In Rem Tax Foreclosure action against the Project Area in accordance with Applicable Law, as more fully set forth in this Financial Agreement.

In addition, the City may declare a Default and terminate this Agreement. Any default arising out of the Entity's failure to pay Land Taxes, the Minimum Annual Service Charge, Administrative Fees, Affordable Housing Contribution, or the Annual Service Charges shall not be subject to the default procedural remedies as provided herein, but shall allow the City to proceed immediately to terminate the Agreement as provided herein. All of the remedies provided in this Agreement to the City, and all rights and remedies granted to it by law and equity shall be cumulative and concurrent. No termination of any provision of this Agreement shall deprive the City of any of its remedies or actions against the Entity because of its failure to pay Land Taxes, the Minimum Annual Service Charge, Annual Service Charge, Affordable Housing Contribution or Administrative Fees. This right shall apply to arrearages that are due and owing at the time or which, under the terms hereof, would in the future become due as if there had been no termination. Further, the bringing of any action for Land Taxes, the Minimum Annual Service Charge, the Annual Service Charge, Affordable Housing Contribution, Administrative Fees, or for breach of covenant or the resort to any other remedy herein provided for the recovery of Land Taxes shall not be construed as a waiver of the rights to terminate the tax exemption or proceed with a tax sale or Tax Foreclosure action or any other specified remedy.

In the event of a Default on the part of the Entity to pay any charges set forth in Article IV, the City among its other remedies, reserves the right to proceed against the Entity's land and property, in the manner provided by the In Rem Foreclosure Act, and any act supplementary or amendatory thereof. Whenever the word taxes appear or is applied, directly or impliedly to mean taxes or municipal liens on land, such statutory provisions shall be read, as far as is pertinent to this Agreement, as if the charges were taxes or municipal liens on land.

ARTICLE XII- TERMINATION

Section 12.1 Termination Upon Default of the Entity

In the event the Entity fails to cure or remedy the Default within the time period provided in Section 11.2, the City may terminate this Agreement upon thirty (30) days written notice to the Entity [Notice of Termination].

Section 12.2 Voluntary Termination by the Entity

The Entity may notify the City that it will relinquish its status as a tax exempt Project, after the expiration of one year from the Substantial Completion of the Project , as of the January 1st of the year next ensuing. The Notice of Voluntary Termination must be received by the City no later than October 1st of the tax year preceding the calendar year in which the termination is to occur. As of the date so set, the tax exemption, the Annual Service Charges and the profit and dividend restrictions shall terminate. However, under no circumstances will the Entity be entitled to any refund, in whole or in part, of any funds paid to the City to obtain the tax exemption, including but not limited to the Affordable Housing Contribution. In addition, the due date for all Affordable Housing Contribution and any other fees that the Entity agreed to pay under this Agreement, shall be accelerated so that all fees to be paid shall be due on January 1st as a condition precedent of the voluntary termination.

Section 12.3 Final Accounting

Within ninety (90) days after the date of termination, whether by affirmative action of the Entity or by virtue of the provisions of the Law or pursuant to the terms of this Agreement, the Entity shall provide a final accounting and pay to the City the reserve, if any, pursuant to the provisions of N.J.S.A. 40A:20-13 and 15 as well as any remaining excess Net Profits. For purposes of rendering a final accounting the termination of the Agreement shall be deemed to be the end of the fiscal year for the Entity.

Section 12.4 Conventional Taxes

Upon Termination or expiration of this Agreement, the tax exemption for the Project shall expire and the land and the Improvements thereon shall thereafter be assessed and conventionally taxed according to the general law applicable to other nonexempt taxable property in the City.

ARTICLE XIII - DISPUTE RESOLUTION

Section 13.1 Arbitration

In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding, to settle and resolve the dispute in such fashion as will tend to accomplish the purposes of the Law.

In the event the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in New Jersey to be determined in accordance with its rules and regulations in such a fashion to accomplish the purpose of the Long Term Tax Exemption Law. The cost for the arbitration shall be borne by the Entity. The parties agree that the Entity may not file an action in Superior Court or with the Arbitration Association unless the Entity has first paid in full all charges defined in Section 4.7 as Material Conditions.

Section 13.2 Appeal of Assessment

In calculating the amount of the Staged Adjustments that is, taxes otherwise due, pursuant to Section 4.2 and N.J.S.A. 40A:20-12, either party may file an appeal of the conventional assessment to determine the value of land and improvements.

ARTICLE XIV - WAIVER

Section 14.1 Waiver

Nothing contained in this Financial Agreement or otherwise shall constitute a waiver or relinquishment by the City of any rights and remedies, including, without limitation, the right to terminate the Agreement and tax exemption for violation of any of the conditions provided herein. Nothing herein shall be deemed to limit the City's right to audit or recover any amount which the City has under law, in equity, or under any provision of this Agreement.

ARTICLE XV - INDEMNIFICATION

Section 15.1 Defined

It is understood and agreed that in the event the City shall be named as party defendant in any action by a third party alleging any breach, default or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1 et seq., the Entity shall indemnify and hold the City harmless against any and all liability, loss, cost, expense (including reasonable attorneys' fees and costs), arising out of this Agreement. In addition, the Entity expressly waives all statutory or common law defenses or legal principles which would defeat the purposes of this indemnification. The Entity also agrees to defend the suit at its own expense. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity consents; the expense thereof to be borne by the City.

ARTICLE XVI- NOTICE

Section 16.1 Certified Mail

Any notice required hereunder to be sent by either party to the other shall be sent by certified or registered mail, return receipt requested.

Section 16.2 Sent by City

When sent by the City to the Entity the notice shall be addressed to:

Devi Ma Newkirk Urban Renewal, LLC
2449 Kennedy Boulevard
Jersey City, NJ 07304
Attn: Cachin Gupta

unless prior to giving of notice the Entity shall have notified the City in writing otherwise.

In addition, provided the City is sent a formal written notice in accordance with this Agreement, of the name and address of Entity's Mortgagee, the City agrees to provide such Mortgagee with a copy of any notice required to be sent to the Entity.

Section 16.3 Sent by Entity

When sent by the Entity to the City, it shall be addressed to:

City of Jersey City, Office of the City Clerk
City Hall
280 Grove Street
Jersey City, New Jersey 07302,

with copies sent to the Corporation Counsel, the Business Administrator, and the Tax Collector unless prior to the giving of notice, the City shall have notified the Entity otherwise. The notice to the City shall identify the Project to which it relates, (i.e., the Urban Renewal Entity and the Property's Block and Lot number).

ARTICLE XVII-SEVERABILITY

Section 17.1 Severability

If any term, covenant or condition of this Agreement or the Application, except a Material Condition, shall be judicially declared to be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be

enforced to the fullest extent permitted by law.

If a Material Condition shall be judicially declared to be invalid or unenforceable and provided the Entity is not in Default of this Agreement, the parties shall cooperate with each other to take the actions reasonably required to restore the Agreement in a manner contemplated by the parties and the Law. This shall include, but not be limited to the authorization and re-execution of this Agreement in a form reasonably drafted to effectuate the original intent of the parties and the Law. However, the City shall not be required to restore the Agreement if it would modify a Material Condition, the amount of the periodic adjustments or any other term of this Agreement which would result in any economic reduction or loss to the City.

ARTICLE XVIII - MISCELLANEOUS

Section 18.1 Construction

This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey, and without regard to or aid of any presumption or other rule requiring construction against the party drawing or causing this Agreement to be drawn since counsel for both the Entity and the City have combined in their review and approval of same.

Section 18.2 Conflicts

The parties agree that in the event of a conflict between the Application and the language contained in the Agreement, the Agreement shall govern and prevail. In the event of conflict between the Agreement and the Law, the Law shall govern and prevail.

Section 18.3 Oral Representations

There have been no oral representations made by either of the parties hereto which are not contained in this Agreement. This Agreement, the Ordinance authorizing the Agreement, and the Application constitute the entire Agreement between the parties and there shall be no modifications thereto other than by a written instrument approved and executed by both parties and delivered to each party.

Section 18.4 Entire Document

This Agreement and all conditions in the Ordinance of the Municipal Council approving this Agreement are incorporated in this Agreement and made a part hereof.

Section 18.5 Good Faith

In their dealings with each other, utmost good faith is required from the Entity and the City.

ARTICLE XIX - EXHIBITS

Section 19 Exhibits

The following Exhibits are attached hereto and incorporated herein as if set forth at length herein:

1. Metes and Bounds description of the Project;
2. Ordinance of the City authorizing the execution of this Agreement;
3. The Application with Exhibits;
4. Certificate of the Entity;
5. Estimated Construction Schedule;
6. The Financial Plan for the undertaking of the Project;
7. Good Faith Estimate of Initial Rents;
8. Project Employment and Contracting Agreement;
9. Architect's Certification of Actual Construction Costs;
10. Entity's Deed.

IN WITNESS WHEREOF, the parties have caused these presents to be executed the day and year first above written.

WITNESS:

DEVI MA NEWKIRK URBAN RENEWAL, LLC

SACHIN GUPTA

ATTEST:

CITY OF JERSEY CITY

ROBERT BYRNE
CITY CLERK

ROBERT KAKOLESKI
BUSINESS ADMINISTRATOR

PROJECT EMPLOYMENT & CONTRACTING AGREEMENT

This Project Employment & Contracting Agreement is made as of the ___ day of ___, 2015, between the **CITY OF JERSEY CITY** [City] having its principal office at 280 Grove Street, Jersey City, NJ 07302, and **DEVI MA NEWKIRK URBAN RENEWAL, LLC** [Recipient], having its principal office at 2449 Kennedy Boulevard, Jersey City, NJ 07304.

I. Definitions:

The following words and terms, when used in this agreement, shall have the following meanings unless the context clearly indicates otherwise.

1. "City" means the Business Administrator of the City of Jersey City, or his designee, including any person or entity which enters into an agreement with the City to implement, in whole or in part, this agreement.
2. "Contractor" means any party performing or offering to perform a prime contract on behalf of the Recipient.
3. Construction Contract means any agreement for the erection, repair, alteration or demolition of any building, structure, bridge, roadway or other improvement on a Project Site.
4. "DEO" means the Division of Economic Opportunity under the Department of Administration, located at 280 Grove Street. DEO is in charge of Project Employment & Contracting coordination and monitoring on projects receiving abatements.
5. "Economic Incentive" means a tax abatement or tax exemption for a property or project which requires approval of the Municipal Council.
6. "Employment" includes positions created as a result of internal promotions, terminations, or expansions within the Recipient's work force which are to be filled by new employees. However, positions filled through promotion from within the Recipient's existing work force are not covered positions under this agreement.
7. Jersey City Employment and Training Corporation or "JCEPT" means the non-profit quasi public Entity with whom the City has an operating agreement to undertake certain employment services.
8. "Local Business" means a bona fide business located in Jersey City.
9. "Minority" means a person who is defined as such under federal or state law.

10. "Minority or Woman Owned Local Business" means a bona fide business located in Jersey City which is fifty-one (51%) percent or more owned and controlled by either a Minority or woman.
11. "Non-Traditional Jobs" means jobs which are held by less than twenty (20%) percent women, as reported by the New Jersey Department of Labor and Workforce Development, Division of Labor Market, and Demographic Research for Jersey City, which report shall be on file with the City Clerk.
12. "Permanent Jobs" mean newly created long term salaried positions, whether permanent, temporary, part time or seasonal.
13. "Project or Project Site" means the specific work location or locations specified in the contract.
14. The "Project Employment & Contracting Coordinator" or "Coordinator" is the employee in the Department of Administration presently, the Executive Director of the Jersey City Employment & Training Program, Inc., who is in charge of coordinating Project Employment & Contracting projects. Contractors and developers engaged in projects covered by Project Employment & Contracting Agreements will direct inquiries to the Coordinator. The Coordinator may refer a developer to the JCEPT or its one-stop career center so long as the City and JCEPT agreement is in full force and effect.
15. The "Project Employment & Contracting Monitor" or "Monitor" is the employee in the Department of Administration who is in charge of monitoring the site, collecting the reports and documentation, and other day-to-day Project Employment & Contracting administration as stipulated by this agreement.
16. The "Project Employment & Contracting Officer" or "Officer" is an employee of the Recipient who is designated by the Recipient to make sure the Recipient is in compliance with the Recipient's Project Employment & Contracting agreement.
17. "Recipient" means any individual, partnership, association, organization, corporation or other entity, whether public or private, or for profit or non-profit, or agent thereof, which receives an Economic Incentive and shall include any Contractor, Subcontractor or agent of the Recipient.
18. "The Registry" or "Jersey City Employment Registry" means a data base maintained by the City or its designee, of Jersey City residents seeking employment and Local Businesses, including Minority or Woman Owned Local Businesses, seeking contracts.
19. "Subcontract" means a binding legal relationship involving performance of a contract that is part of a prime contract.
20. "Subcontractor" means a third party that is engaged by the prime Contractor to perform under a subcontract all or part of the work included in an original contract.

21. "Substantial Completion" means the determination by the City that the Project, in whole or in part, is ready for the use intended, which ordinarily shall mean the date on which the Project receives, or is eligible to receive any Certificate of Occupancy for any portion of the Project.

II. Purpose: Construction Jobs, Business Contracting, Permanent Jobs

The City wishes to assure continuing employment opportunities for City residents, particularly residents who are Minorities, and business opportunities for Local Businesses, especially Minority and Women Owned Local Businesses, with employers located in or relocating to the City who are the Recipients of Economic Incentives. The City has determined to accomplish that goal by requiring the Recipient of an Economic Incentive to act in Good Faith, as defined herein, and discharge its obligations under this Agreement. To the extent mandated by State and Federal law and so long as the Entity discharges its Good Faith obligations under this agreement, the City acknowledges that the Recipient and its contractors are free to hire whomever they choose.

Because this project is not subject to the terms of a Project Labor Agreement during construction, this agreement shall apply to all Construction Jobs, Business Contracts and non-construction Permanent Jobs. Recipients are also required to notify any commercial tenants of employment services available from the City.

III. Recipient Designee:

The Recipient shall designate a principal officer of its firm, to be responsible for administering the agreement detailed herein and to report to and confer with the City in order to discharge its Good Faith obligations as defined in this agreement. This officer should be designated as the Project Employment & Contracting Officer.

The Recipient shall send a letter designating its "Project Employment & Contracting Compliance Officer" to the Project Employment & Contracting Coordinator prior to any preconstruction meetings. An example of this letter can be found in Appendix 1. This Officer should also be present for all preconstruction meetings.

The Recipient should send a letter regarding the "Project Employment & Contracting Compliance Officer" to the employees of the Recipient's company. An example of this letter can be found in Appendix 2.

IV. Term:

This agreement shall be in effect for a period co-terminus with the effective period of the tax exemption [the Economic Incentive]. Thus, it will commence on the date the City Council adopted Ordinance _____, approving the tax exemption and terminate the earlier of 35 years from the date of the adoption of that Ordinance or 30 years from the date of Substantial Completion of the Project.

V. **Good Faith Goals:**

In the event the Recipient is able to demonstrate that its work force already meets the goals set forth below or is able to meet such goals during the term of this agreement, the Recipient shall only be required to submit the periodic certified manning and certified payroll reports described below to confirm ongoing compliance. All other Recipients must comply with the following Good Faith goals.

1. **Employment (Construction and Permanent Jobs):** The Recipient shall make a Good Faith effort to achieve the goal of a work force representing fifty-one (51%) percent City residents, fifty-one (51%) percent of whom are residents who are Minorities and, in Non-Traditional Jobs, six point nine (6.9%) percent of whom are residents who are women, it being understood that one employee may satisfy more than one category.
2. **Business Contracting:** The Recipient shall make a Good Faith effort to achieve the goal of awarding twenty (20%) percent of the dollar amount of its contracts to Local Businesses, fifty-one (51%) percent of which shall be Minority or Women Owned Local Businesses. If fifty-one (51%) percent of Minority or Women Owned Local Businesses cannot be obtained, that percentage of contracts must still be applied to local vendors.

VI. **Good Faith Defined. Construction Jobs:**

1. **Construction Jobs:** Good Faith shall mean compliance with all of the following conditions:

A. Initial Manning Report:

- i) Prior to the commencement of their work on the Project, each Contractor /Subcontractor shall prepare an Initial Manning Report.
- ii) The Initial Manning Report should contain an estimate of the total hours in each construction trade or craft and the number of hours to be worked by City residents, including a list of the number of minority residents and women residents that will work in each trade or craft, including the work hours to be performed by such employees of any and all Contractors and Subcontractors. Attached hereto as Appendix B is the Recipient's Initial Manning Report.
- iii) The Initial Manning Report shall be filed with the Project Employment and Contracting Monitor, who must accept said Report prior to the Recipient entering into any construction contract. An example of this acceptance letter is given in Appendix C.

B. Developer's Contracting Obligations

- i) Once the developer submits the project's initial manning report, he/she must forward a letter with requests for quotation or bid to Mayor Steven M. Fulop's Business Cooperative Program for local and minority vendors for any

construction or building operating goods, services and sub-contracting opportunities. An example of this letter is given in Appendix D.

- ii) The developer shall make a good faith effort to contact those businesses and individuals who submit bids. This effort must be documented by letter, which will be sent to Mayor Steven M. Fulop's Business Cooperative Program at DEO under the Department of Administration. An example of this letter can be found in Appendix D2.

C. Contractor's/Subcontractor's Compliance Statement

Prior to commencement of their work on the Project, each Contractor or Subcontractor must agree in writing to comply with this agreement and the employment goals elaborated herein. An example of this Compliance Statement can be found in Appendix E.

D. Union Statement of Using Its Best Efforts

- i) Prior to commencement of their work on the Project, the contractor/subcontractor must submit a statement expressing its adherence to the Project Employment & Contracting Agreement to each union with which he/she has a collective bargaining agreement covering workers to be employed on the project.
- ii) The Compliance Statement shall include a union statement for the particular union to sign, which claims the union will use its best efforts to comply with the employment goals articulated in the Project Employment & Contracting agreement. This compliance statement is detailed in Appendix F. A copy of the signed compliance statement must be sent to the Project Employment & Contracting Monitor in DEO under the Department of Administration before work starts in order for a developer to be in compliance.
- iii) The Recipient will require the Contractor or Subcontractor to promptly notify the City of any refusal or failure of a union to sign the statement. If a particular union refuses to sign a statement, the Recipient will document its efforts to obtain such statement and the reasons given by the union for not signing such statement, and submit such documentation to the Project Employment & Contracting Monitor in DEO under the Department of Administration.

E. Sub-Contractors

The developer shall require that each prime contractor be responsible for the compliance of his/her subcontractors with the aforementioned Project Employment & Contracting requirements during the performance of the contract. Whenever the contractor sub-contracts a portion of the work on the project, the contractor shall bind the subcontractor to the obligations contained in these supplemental conditions to the full extent as if he/she were the contractor.

F. Union Apprentices

The contractor is responsible for assuring that resident and minority apprentices account for at least fifty (50%) percent of the total hours worked by union apprentices on the job in each trade listed in which apprentices are employed, according to the apprentice-to-journey-worker ratio contained in the collective bargaining agreement between the various unions, and shall hold each of his/her subcontractors to this requirement. The Recipient will require the contractor or subcontractor to promptly notify the City of any refusal of a union to utilize resident and minority apprentices.

G. Monthly Manning Report

- i) The Recipient will cause the Contractor to complete and submit Monthly Project Manning Reports to the Project Employment & Contracting Monitor in DEO under the Department of Administration by the seventh day of the month following the month during which the work is performed, for the duration of the contract.
- ii) The report will accurately reflect the total hours in each construction trade or craft and the number of hours worked by City residents, including a list of the number of minority resident and women resident workers in each trade or craft, and will list separately the work hours performed by such employees of the Contractor and each of its Subcontractors during the previous month. The Monthly Manning Report shall be in the form attached hereto as Appendix G.
- iii) The Recipient is responsible for maintaining or causing the Contractor to maintain records supporting the reported work hours of its Contractors or Subcontractors.

H. Monthly Certified Payroll Report

- i) The Recipient will cause the Contractor to furnish the Project Employment & Contracting Monitor with copies of its weekly Certified Payroll reports. The reports will specify the residence, gender and ethnic/racial origin of each worker, work hours and rate of pay and benefits provided. The Certified Payroll report shall be in the form attached hereto as Appendix H.
- ii) Payroll reports must be submitted on a monthly basis with the Monthly Manning Report or the Recipient is no longer in compliance.

I. Equal Employment Opportunity Reports

Prior to commencement of work on the Project, the Recipient will request copies of the most recent Local Union Report (EEO-3) and Apprenticeship Information Report (EEO-2) which are required to be filed with the US Commission of Equal Employment Opportunity Commission by the collective bargaining unit. These reports will be forwarded to the Project Employment & Contracting Monitor within one month of the signing of the Project Employment & Contracting Agreement.

J. Other Reports

In addition to the above reports, the Recipient shall furnish such reports or other documents to the City as the City may request from time to time in order to carry out the purposes of this agreement.

K. Records Access

The Recipient will insure that the City will have reasonable access to all records and files reasonably necessary to confirm the accuracy of the information provided in the reports.

L. Work Site Access For Monitor

- i) The City will physically monitor the work sites subject to this agreement to verify the accuracy of the monthly reports. Each work site will be physically monitored approximately once every two weeks, and more frequently if it is deemed reasonably necessary by the City. The City's findings shall be recorded in a "Site Visit Report." An example of a bi-weekly site visit report can be found in Appendix I.
- ii) The Recipient shall require the Contractor and Sub-contractor to cooperate with the City's site monitoring activities and inform the City as to the dates they are working at the Project site. This includes specifically instructing the on-site construction manager about the monitoring process, and informing him/her that the monitor will contact him/her to set up an initial meeting. In the case of projects with multiple locations, the Recipient shall inform the City of the dates they are working at each site location(s) where they are working, in order to facilitate the monitoring.

VII. Good Faith Defined. Permanent Jobs:

1. **Permanent Jobs:** Good Faith shall mean compliance with all of the following conditions:

- A. Pre-hiring Job Awareness: At least eight (8) months prior to the hiring of a Recipient's permanent workforce, the Project Employment & Contracting officer for the Recipient will meet with the Coordinator, including the director of JCETP to discuss how the Recipient plans to hire its permanent workforce. The following issues should be covered in this meeting:
 - i) whether subcontractors will be used in the hiring process.
 - ii) the specific types of jobs that need to be filled.
 - iii) the qualifications needed for these particular jobs.
 - iv) possible training programs offered by the permanent employer.
 - v) the Recipient's goals and how it plans to meet these goals.
 - vi) any other issues which need to be addressed.

- B. Subcontractor Notification -- If the Recipient decides to subcontract any portion or all of its permanent workforce, then the Recipient must receive a signed acknowledgment from the subcontracting party that it will abide by the Project Employment & Contracting Agreement before said subcontractor begins staffing permanent employees. The Recipient must forward a copy of the signed acknowledgment to the Project Employment & Contracting Monitor. An example of this signed acknowledgment can be found in Appendix 3.
- C. Subcontractor Pre-Hiring Job Awareness Meeting -- Each subcontractor hired to staff permanent job positions must appoint a Project Employment & Contracting Officer to meet with the head of the Registry to discuss the same issues presented above in VI 1.A.(i)-(vi) and notify the City.
- D. Subcontractors of Subcontractors--Subcontractors of subcontractors are subject to the same requirements for the initial subcontractors.
- E. Documentation of Hiring Plan--Once the Pre-Hiring Job Awareness Meeting has taken place, the Recipient must put together a document with goals and totals for future permanent employment needs. This plan should summarize all that was discussed in the Pre-Hiring Awareness Meeting, list estimates for manpower needs, set residential and minority employment goals commensurate with the Project Employment & Contracting Agreement, and show how the Recipient plans to meet these goals. An example of this plan is found in Appendix 4.
- F. Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
- G. Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.
- H. Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
- I. Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this

report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.

- J. Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
- K. Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
- L. Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
- M. Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

VIII. **Good Faith Defined. Business Contracts**

- A. Good Faith shall mean compliance with all of the following conditions:

- i) Solicitation of Businesses:

- a) One month before the solicitation for any goods or services, the Recipient must forward a letter with a description of the goods or services to the Project Employment and Contracting Coordinator;
- b) The Recipient shall provide the City with a written Purchasing Report every month. The form of this report shall be in substantially the form found in Appendix 6.
- c) Pre-Hiring Notification: At least ten (10) working days prior to advertising for any employees, the Recipient or the Recipient's subcontractor shall provide the DEO and the JCEPT with a written notice, which shall state the job title, job description and minimum qualifications, rate of pay, hours of work and the hiring date for each position to be filled, in qualitative and objective terms which will enable the referral of qualified applicants to the Recipient.
- d) Advertisement: At the request of the City, or because the City does not have qualified applicants to refer to the Recipient, the Recipient will place an advertisement for the jobs in a newspaper which is regularly published in Jersey City. The Recipient must furnish the DEO with a copy of this advertisement.

- e) Pre-Hiring Interview: The Recipient shall interview any qualified applicants referred to it pursuant to the agreement. In the event advertisement is required, the Recipient agrees to interview any qualified persons responding to the advertisement.
- f) Monthly Employment Reports: The Recipient will submit written employment reports to the Project Employment & Contracting Monitor in the form to be provided by the City. The report will be submitted on the 1st day of every month. It will describe each job and state whether the job was filled or held by a City resident, minority resident or woman resident and date of hire. The report will explain in writing the reasons why any qualified referred applicant (or in the event advertisement is required, any qualified person responding to the advertisement) was not hired and the reason therefore. The form of this report shall be in substantially the form found in Appendix 5, subject to such revision as the City deems appropriate and reasonable. Monthly reports may be extended to semi-annually reports once the initial workforce is hired.
- g) Record Access: The Recipient shall provide the City with reasonable access to all files and records including payroll and personnel information reasonably necessary to confirm the accuracy of the information set forth in the semi-annual reports.
- h) Work Place Access: The Recipient shall provide the City with reasonable access to the site to physically monitor the work site to verify the accuracy of the information set forth in the any reports.
- i) Other Reports, Documents: In addition to the above reports, the Recipient shall furnish such reports or other documents that the City may request from time to time in order to implement the purposes of this agreement.
- j) Incorporation of Agreement: The Recipient shall incorporate the provisions of this Agreement in all contracts, agreements and purchase orders for labor with any service, maintenance, security or management agent or Contractor engaged by the Recipient whose personnel will be assigned to the Recipient project.

- B. The Recipient pledges not to use local and local minority vendors solely as conduits for vendors that are not local and minority owned. Any discovery by Project Employment and Contracting Monitor of a Recipient, using the masthead of a local or minority owned business as a way to get credit for local or minority employment when it should not, will immediately subject the Recipient to the penalties listed in Section VIII (d) below.

IX. Good Faith Defined. Commercial Tenants at the Project Site

Good Faith shall mean compliance with all of the following conditions:

- A. The Recipient shall send all tenants of commercial space, including retail space, within the Project Site a Tenant Employment Services Guide in the form attached as Appendix 7.
- B. The Recipient shall require tenants of commercial, including any retail space to complete an annual questionnaire concerning the composition of the work force of each tenant. The completed questionnaire be submitted to the Project Employment & Contracting Monitor. The questionnaire shall be in the form attached as Appendix 8.
- C. The Recipient will send the results of its solicitation to the Project Employment & Contracting Monitor no later than December 1st of each year.

X. Notices of Violation:

- 1. Advisory Notice: The City will issue a written Advisory Notice to the Recipient if there is non-compliance with a Good Faith requirement as defined in this agreement. The Advisory Notice shall explain in sufficient detail the basis of the alleged violation. The Recipient shall have 7 days to correct the violation.
- 2. Violation Notice: If the alleged violation set forth in the Advisory Notice has not been corrected to the satisfaction of the City the City shall issue a Violation Notice to the Recipient. The Violation Notice shall explain in sufficient detail the basis of the alleged, continuing violation. The Recipient will have three (3) working days to correct the violation.
- 3. Correcting the Violation: Either or both the Advisory Notice or the Violation Notice may be considered corrected if the Recipient satisfies the requirements of this agreement and so advises the City in writing, subject to confirmation by the City.
- 4. Extension of Time to Correction: Either the Advisory Notice or the Violation Notice may be held in abeyance and the time for correction extended if the Recipient enters into satisfactory written agreement with the City for corrective action which is designed to achieve compliance. If Recipient fails to abide by the terms of such agreement the violation will be considered not corrected.

If the City determines that the Recipient is in violation after the expiration of the cure periods, the Recipient agrees that the City shall be entitled to the liquidated damages provided below.

XI. Liquidated Damages:

- 1. While reserving any other remedies the City may have at law or equity for a material breach of the above terms and conditions, the parties agree that damages for violations of this agreement by the Recipient cannot be calculated within any reasonable degree of mathematical certainty. Therefore, the parties agree that upon the occurrence of a material breach of any of the above terms and conditions and after notice and expiration

of any cure period, the City will be entitled to liquidated damages from the Recipient in the following amounts:

- A. Failure to file Initial Manning Report (Construction Jobs) or Pre-Hiring Notification (Permanent Jobs) or Pre-Contracting Notification (Business Contracts): an amount equal to Five percent (5%) increase in the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- B. Failure to conduct Pre-hiring Interviews or submit Compliance Statement (Submit description of goods or services, (Business Contracting): an amount equal to Three (3%) percent of the estimated annual service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- B. Failure to allow record or work place access or submit any other required reports (all categories): an amount equal to Three (3%) percent increase service charge as set forth in the Financial Agreement for each quarter or part thereof that the Recipient is non compliant.
- C. The use of the local or local minority business' masthead for labor or work supplied by a non local or local minority vendor: An amount equal to Ten (10%) service charge as set forth in the Financial Agreement for each quarter or part thereof, the Recipient is non compliant.

XII. Notices

Any notice required hereunder to be sent by either party to the other, shall be sent by certified mail, return receipt requested, addressed as follows:

1. When sent by the City to the Recipient it shall be addressed to:

Devi Ma Newkirk Urban Renewal, LLC
2449 Kennedy Boulevard
Jersey City, NJ 07304
Att:

and

2. When sent by the Recipient to the City, it shall be addressed to:

City of Jersey City
Department of Administration
Division of Economic Opportunity
Project Employment & Contracting Monitor
280 Grove Street
Jersey City, New Jersey 07302
Att: Division Director

and

Director of Jersey City Employment and Training Program, Inc
895 Bergen Avenue—2nd Floor
Jersey City, NJ 07306
Att: Executive Director

with separate copies to the Mayor and the Business Administrator.

XIII. Appendix

These forms are examples only and shall be in substantially the form on file in the Division of Economic Opportunity, subject to modifications from time to time by the City as necessary or appropriate.

1. Letter designating Recipient's Project Employment & Contracting Officer
2. Letter from Recipient to Employees of Recipient's Company
3. Acknowledgment of PECA compliance of Subcontractor
4. Example of Hiring Plan
5. Example of Monthly Employment Report
6. Example of Monthly Purchasing Report
7. Tenant Employment Services Guide
8. Commercial Retail Annual Questionnaire

XIV. Adoption, Approval, Modification:

This agreement shall take effect on the date that the Economic Incentive is approved by the Municipal Council.

XII. Controlling Regulations and Laws:

To the extent required by State and Federal Law and so long as the Entity discharges its Good Faith obligations under this agreement, the City agrees and acknowledges that the Recipient and its contractors are free to hire whomever they choose. If this agreement conflicts with any collective bargaining agreement, the City agrees to defer to such agreements so long as the Recipient provides the City with a copy of the offending provision in the collective bargaining agreement.

In the event there are any conflicts between this Agreement and any Project Labor Agreement, then as it pertains to construction jobs covered by the PLA, the Project Labor Agreement shall govern. Wherever possible, this Agreement shall be interpreted consistently with the Project Labor Agreement.

ATTEST:

CITY OF JERSEY CITY

Robert Byrne
City Clerk

Robert J. Kakoleski
Business Administrator

WITNESS:

DEVI MA NEWKIRK URBAN RENEWAL, LLC

Secretary

Sachin Gupta, President

City Clerk File No. Ord. 15.040
Agenda No. 3.11 1st Reading
Agenda No. _____ 2nd Reading & Final Passage



ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE
offered and moved adoption of the following ordinance:

CITY ORDINANCE 15.040

TITLE:

ORDINANCE ADOPTING AMENDMENTS TO THE LAND DEVELOPMENT ORDINANCE ADOPTING THE WEST BERGEN-EAST LINCOLN PARK HISTORIC DISTRICT AS A MUNICIPAL HISTORIC DISTRICT

WHEREAS, The City of Jersey City ("the City") applied for, and received a Garden State Historic Preservation Trust Fund Grant Award administered by the New Jersey Historic Trust for the City to retain the services of a consultant in order to provide professional services for the identification and nomination of eligible historic resources within the *West Bergen Historic District Study Area* to the municipal, state and national registers of historic places; and

WHEREAS, the City, having accepted the grant, authorized an agreement with Hunter Research, Inc. ("the consultant") for an extraordinary, unspecifiable service for the identification and nomination of Eligible Historic Resources in the *West Bergen Historic District Study Area* on January 23, 2013; and

WHEREAS, The consultant produced the *West Bergen-East Lincoln Park Historic District Nomination Report* and identified boundaries of a potential municipal, state and national historic district in accordance with the standards and guidelines for nominations set forth by the Secretary of the Interior and the National Parks Service; and

WHEREAS, on October 20, 2014 the Commissioners of the Jersey City Historic Preservation Commission ("the Commission"), pursuant to Section 345 9-B(5) of the Land Development Ordinance of the City of Jersey City, voted 7-0-0 to recommend to the Planning Board of the City of Jersey City ("the Board") that the Board recommend to the Municipal Council of the City of Jersey City ("the Council") that the Council designate the *West Bergen-East Lincoln Park Historic District* ("the District") as a Municipal Historic District; and

WHEREAS, on November 13th after reviewing the nomination report and hearing testimony from the consultant and Historic Preservation Staff, the New Jersey State Historic Review Board unanimously moved to recommend the District be included on the New Jersey and National Registers of Historic Places; and

WHEREAS, on December 29th 2014 the district was officially listed on the New Jersey Register of Historic Places by the Signature of the Secretary of the Department of Environmental Protection; and

WHEREAS, the National Park Service announced in the *Federal Register*, published February 6th, 2015 that it had received the application for Nomination was considering the District for listing in the National Register; and

WHEREAS, on February 3rd, the Board heard testimony from Patrick Harshbarger, consultant and architectural historian to the City, from Staff of the Division of City Planning and the Commission, as well as from the public, and

WHEREAS, On March 10th the Board heard further testimony from the public and Staff of the Division of City Planning and the Commission, and voted 5-0-0 to recommend to the Council that the Council designate the District as a Municipal Historic District; and

WHEREAS, after review of the record of the proceedings of the Commission, of the Nomination Report and the subsequent presentation of the City's Consultant, as well as the testimony of Staff of the Division of City Planning and the Commission and members of the public, before the Board, demonstrates the following findings:

- a. The District, as shown in the attached map entitled *West Bergen-East Lincoln Park Historic District* has been placed on the New Jersey State Register of Historic Places and shall be included on the National Register of Historic Places for its significance under Criteria A; for its distinctive pattern of

suburban development and planning and its significant patterns in Jersey City's social history, under Criteria B for people significant to local and state history and under Criteria C for its distinct architectural heritage found in the diversity of the architecture and streetscapes as noted in the Nomination Report.

- b. The boundaries of the historic district as shown in the attached map and coterminous with the district listed on the State Register of Historic Places and soon to be listed on the National Register of Historic Places captures the distinctive residential architecture, social history, and geography of the Western Slope of the Bergen Hill, west to the main entrance of Lincoln Park on West Side Avenue.

NOW, THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Jersey City that after consideration of the record of proceedings before the Commission and the Board, the Municipal Council of the City of Jersey City hereby accepts all the findings set forth in the recommendation of the Commissioners of the Jersey City Historic Preservation Commission and the Planning Board of the City of Jersey City concerning the West Bergen-East Lincoln Park Historic District; and

BE IT FURTHER ORDAINED that the Municipal Council of the City of Jersey City amends the Land Development Ordinance to add the West Bergen-East Lincoln Park Historic District to the Municipal Register of Historic Places; and

BE IT FURTHER ORDAINED that City Code Chapter 345 (*Land Development Ordinance*) §345-30 Historic Districts/Landmarks G Historic Districts/Landmarks be amended as follows:

G. Historic Districts/Landmarks Pursuant to this section, the following historic districts and landmark buildings, objects, sites, structures or landscape features are designated and recognized as "historic" and shall enjoy the protection of law as herein provided, be amended as follows: (material indicated by bold italic *thusly* is new material that is intended to be enacted),

Historic Districts:

Date:

West Bergen-East Lincoln Park

[Date of City Council Adoption]

BE IT FURTHER ORDAINED THAT:

- A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
- B. This ordinance shall be a part of the Jersey City Code as though codified and set forth fully herein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
- C. This ordinance shall take effect at the time and in the manner as provided by law.
- D. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible repealers of existing provisions.
- E. The City Planning Division is hereby directed to give notice at least ten days prior to the hearing on the adoption of this Ordinance to the Hudson County Planning board and to all other persons entitled thereto pursuant to N.J.S.A. 40:55D-15 and N.J.S.A. 40:55D-63 (if required). Upon the adoption of this Ordinance after public hearing thereon, the City Clerk is directed to publish notice of the passage thereof and to file a copy of the Ordinance as finally adopted with the Hudson County Planning Board as required by N.J.S.A. 40:55D-16. The clerk shall also forthwith transmit a copy of this Ordinance after final passage to the Municipal Tax Assessor as required by N.J.S.A. 40:49-2.1.



Robert D. Cotter, FAICP, PP, Director
Division of City Planning

APPROVED AS TO LEGAL FORM

APPROVED: 

Corporation Counsel

APPROVED: _____

Business Administrator

Certification Required ☐

Not Required ☐

ORDINANCE FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

**ORDINANCE ADOPTING AMENDMENTS TO THE LAND DEVELOPMENT ORDINANCE
ADOPTING THE WEST BERGEN-EAST LINCOLN PARK HISTORIC DISTRICT AS A
MUNICIPAL HISTORIC DISTRICT**

Initiator

Department/Division	HEDC	City Planning
Name/Title	Robert Cotter, PP, FAICP	Director
Phone/email	201-547-5010	bobbyc@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

This Ordinance will accept the recommendations of the Historic Preservation Commission and the Planning Board that the West Bergen-East Lincoln Park Historic District, already on the State Register of Historic Places, and in the process of being listed on the National Register of Historic Places, be listed in Chapter 345-30 of the City Code, the Jersey City Land Development Ordinance as a Municipal Historic District. The inclusion of the District on the Municipal Register of Historic places would protect the unique character of the neighborhood and the historic resources within the district through review of applications of development by the Jersey City Historic Preservation Commission.

I certify that all the facts presented herein are accurate.


Signature of Department Director


3/16/15
Date

Department of Housing, Economic Development & Commerce
Division of City Planning



Inter-Office Memorandum

DATE: March 16, 2015

TO: Council President Lavarro, Anthony Cruz, Bob Cotter

FROM: Brian J. Blazak, Historic Preservation Specialist
Dan Wrieden, Historic Preservation Officer

SUBJECT: West Bergen-East Lincoln Park Historic District

The proposed amendment adds the West Bergen-East Lincoln Park Historic District to the Municipal Register of Historic Places and consequently amends chapter 345 of the City Code, the Land Development ordinance §30 G. The Ordinance will overlay the area with Historic District Designation

This amendment was initiated by members of the community in order to protect their neighborhood from inappropriate development which would adversely affect the special character and integrity of the West Bergen East Lincoln Park Historic District. The district, with the current recommended boundaries has already been listed on the State Register and shall soon be listed on the National Register. It is strongly recommended that the existing boundaries be adopted by the City to be coterminous with the State and National designation.

It is our conclusion that given the information in the West Bergen East Lincoln Park Historic District Nomination report prepared by Hunter Research Inc. that it is important that the special architectural, historic, and social character of the area be preserved in the District. The Historic Preservation Commission shall review applications for development in accordance with the provisions of the Historic Preservation Standards in Chapter 345-71 of the City Code and the Secretary of the Interiors Standards and Guidelines for the Treatment of Historic Properties. This will help to protect the area whilst encouraging appropriate, compatible rehabilitation of irreplaceable historic buildings while allowing for new growth and development which shall not harm the integrity of the neighborhood.

SUMMARY STATEMENT





ORDINANCE ADOPTING AMENDMENTS TO THE LAND DEVELOPMENT ORDINANCE ADOPTING THE WEST BERGEN-EAST LINCOLN PARK HISTORIC DISTRICT AS A MUNICIPAL HISTORIC DISTRICT

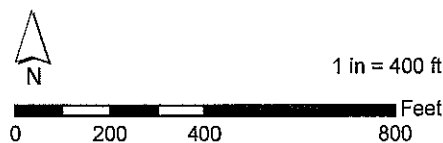
This Ordinance will accept the recommendations of the Historic Preservation Commission and the Planning Board that the West Bergen-East Lincoln Park Historic District, already on the State Register of Historic Places, and in the process of being listed on the National Register of Historic Places, be listed in Chapter 345-30 of the City Code, the Jersey City Land Development Ordinance as a Municipal Historic District. The inclusion of the District on the Municipal Register of Historic places would protect the unique character of the neighborhood and the historic resources within the district through review of applications of development by the Jersey City Historic Preservation Commission.



WEST BERGEN - EAST LINCOLN PARK HISTORIC DISTRICT

JERSEY CITY NJ

-  Key Contributing Property
-  Contributing Property
-  Non-contributing Property
-  Vacant Lot



NOVEMBER 14, 2014

Jersey City
City Planning Division
30 Montgomery Street Suite 1400
Jersey City, NJ 07302-3821
Phone: 201.547.3610
Fax: 201.547.4323

